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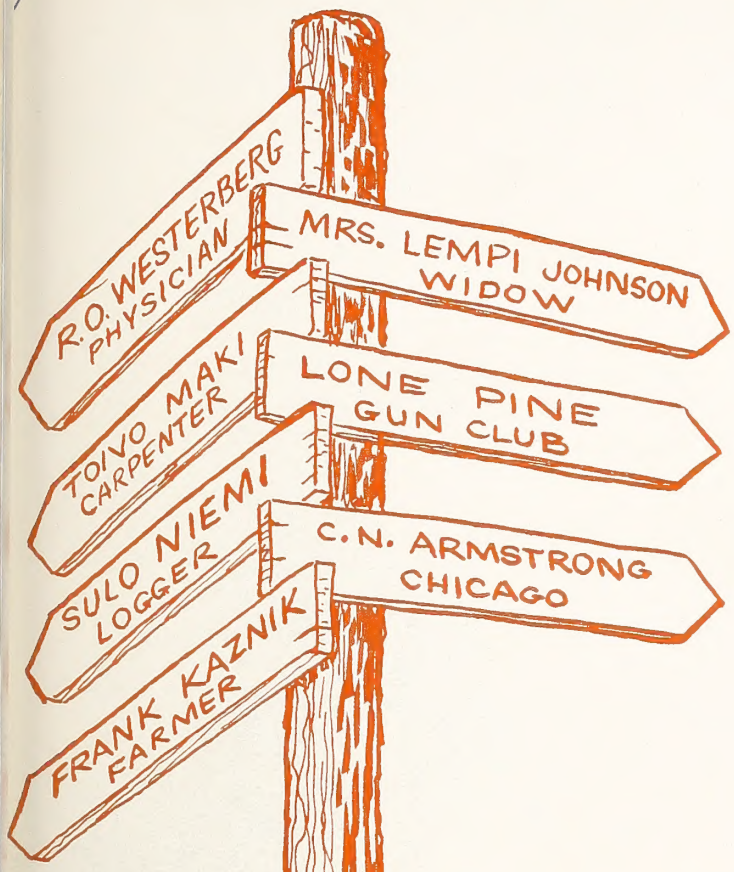

SMALL PRIVATE FOREST LANDOWNERS IN MICHIGAN'S UPPER PENINSULA

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Foreword

In 1958 the U. S. Forest Service published a comprehensive appraisal of the timber resources of this country. One of the major conclusions was "There is conclusive evidence that the productivity of recently cut lands is poorest on the farm and 'other' (generally small) private ownerships." With nearly one-half of the commercial forest lands in the Lake States in small holdings, the Lake States Station decided that it was important to bring about an understanding of the ownership problems and what might be done to improve the productivity of small holdings.

Thus the Station has made three studies of the small-ownership situation in the Lake States: Station Paper 77 entitled, "Influences of Ownership on Forestry in Small Woodlands in Central Wisconsin," by Dr. Charles Sutherland and C. H. Tubbs, was published in 1959; a second study by Dr. Con Schallau analyzing small holdings in northern Lower Michigan will be available later this year; Station Paper 95 by Dr. Dean Quinney summarizes the small-ownership situation in Upper Michigan. The study was made in 1959-60 while Dr. Quinney was stationed at the Marquette, Mich., office of the Lake Forest Experiment Station.

M. B. DICKERMAN, Director

Small Private Forest Landowners In Michigan's Upper Peninsula—

Characteristics, Ownership Attitudes, and Forestry Practices

by

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Contents

Abstract

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Describes the small forest landowner population including its distribution as to type of owner, size of holding, objectives of ownership, forestry practices, problems, and responses to existing and proposed forestry programs. The considerable proportion of absentee owners and the owners whose primary ownership objective is other than timber production suggest that for the Upper Peninsula the traditional approaches of public forestry programs may need to be revised.

Summary of Findings

1. This study, based on a list sample of small private forest landowners with ownerships of between 5 and 5,000 acres, disclosed a total population of close to 30,000 ownerships. These ownerships control slightly more than 3¼ million acres of commercial forest land (about one-third of the total) in Michigan's Upper Peninsula.

2. Ownerships were classified on the basis of owner occupation for (for multiple ownerships) use categories, as well as the location of the owner's permanent residence or source of ownership decisions. Upper Peninsula residents make up the bulk of the ownership (75 percent of all owners); the rest are absentee owners who make their permanent homes outside the study area. Empirically, the latter group appears to be on the increase.

3. Local owners range over a wide variety of occupation or use classes. Wage earners, active farmers, professional or businessman owners, housewife-widows, and retired owners share the greatest proportion of the forest area owned by Upper Peninsula residents. Although the average size ownership was slightly more than 100 acres, there was a considerable range in size of individual holdings. No recognizable difference appeared between the resident and absentee owner groups on the basis of size of ownerships.

4. From the initial sample of ownerships a subsample was taken for the purpose of interviewing owners concerning specific owner and ownership characteristics, forestry practices, problems, and responses to existing and proposed forestry programs. In all, 198 such interviews were made.

5. Individual ownerships predominate, and about three-fourths of the area had been acquired by purchase—largely within the last 20 years. More than half of the owners do not reside on their properties; however, with the inclusion of those who do live on their property, three-fourths make their permanent residence within 50 miles.

6. Although ownership is spread over many age classes the average age was found to be 56 years, with many owners over 60 years old. Expectations concerning future tenure were not too positive; 40 percent of the individual owners are uncertain whether they will retain ownership during the rest of their lifetimes.

7. Objectives of retaining ownership were sorted out on the basis of the one reason which exceeded all others in importance. On this basis, the leading objectives included: ownership to provide a residence, hunting or fishing use, general farm use, inactive (no tangible reason at the present), and a site for a summer home or weekend cottage. Among Upper Peninsula owners, residence and general farm use were the most prominent reasons, while among absentee owners, hunting or fishing, and summer-home use were the most often cited.

8. Tree planting for forestry purposes is not a widespread practice. Only 13 percent of the owners who own land suitable for planting had made reforestation-type plantings.

9. Timber sales and timber harvesting occurred more frequently than planting, with 43 percent of all owners having sold or used timber from their properties within the last 5 years. Farmers, retired owners, and loggers were most active in making timber sales from their properties. Many of these sales provide the owner with the opportunity to realize an income from the use of his otherwise surplus labor time. In contrast to these active local owners, none of the ownership group who make their permanent homes outside the Upper Peninsula had sold timber from their lands. Excluding tree planting or timber sales, few owners had done any other work in their woodlands.

10. Neither the availability of credit nor the existing property tax situation seemed to be major factors affecting the decisions of the majority of these owners.

11. Present amounts of public forestry information and technical assistance provided to small private owners in the Upper Peninsula are quite modest and of fairly recent origin. Few owners had availed themselves of these aids, and the majority did not even know that help was available.

12. Owners were queried concerning possible interest in participating in three aspects of more in-

tensive forestry: employment of a consultant, joint management associations, and leasing of lands by private companies for forestry purposes. Although there were no outstanding responses to any of the three propositions, collectively the interest among absentee owners was greater than among Upper Peninsula owners, with close to one-fifth of the nonresidents indicating some interest in both management associations and leasing.

13. The writer believes that the changing composition of the ownership population (more absentee owners and less active farm owners) is producing a changing complex of ownership objectives, forestry problems, and probable patterns of forest use. These altered conditions will necessitate a reorganization and reorientation in public forestry programs if these small forest ownerships are to make a greater contribution to the Upper Peninsula's forest economy.

Background

During 1961 the population of the United States passed the 185-million mark. Population experts speak confidently of a population of 300 million people or more by the year 2000—less than 40 years in the future. Unless current trends are reversed, this tremendous increase in population will be accompanied by a continuing increase in the individual standard of living; economists talk of a gross national product of about 1,700 billion dollars in the year 2000—a value more than three times the present figure.

Such dramatic increases likely will place ever-increasing pressure on all our productive resources including those of forest lands. We shall be hard pressed to meet these needs. Probably we shall have to accelerate the intensity of land use, including forest land use, if we are going to provide the output of products required by the year 2000.

Of the 489 million acres of commercial forest land in the United States, 27 percent is publicly owned and 73 percent privately owned. In spite of the large holdings of pulp and paper companies, lumber companies, and other wood-using industries, more than half of our commercial forest land is owned by a host of diverse small owners totaling some 4.5 million individuals or groups.

The recently completed "Timber Resources for America's Future" (a comprehensive review and analysis of our national timber resource situation) indicated that on the national level only 40 percent of the recently cut timber stands held by farmers and other small private owners had been harvested in a manner that would maintain or improve stand productivity and quality. Because these lands constitute such a large part of the nation's forest resources, this disclosure is a matter of serious concern. It was on this basis that one of the major conclusions of the review was: *"A key to the future timber situation of the United States lies with farmers and other nonforest industry private owners. These ownerships are in greatest need of improvement."*

In the Lake States small privately owned forest lands make up 83 percent of the private and almost 50 percent of all commercial forest lands in Michigan, Minnesota, and Wisconsin. The bulk of this, although defined as including all private landowners with less than 5,000 acres of forest land in total, is made up of ownerships much smaller than this maximum. Of the area owned, 94 percent is held by owners having less than 500 acres each and more than half by owners with less than 100 acres.

While studies had been made of ownership in the lower regions of the Lake States, no recent ones had been made of the group in the most northern portion. The northern Lake States form a belt extending from the Upper Peninsula of Michigan across northern Wisconsin and northern Minnesota. Although differing somewhat in physical aspects and local institutions, these three areas possess a common land-use heritage of a boom during the late 1800's in timber and mineral exploitation, followed by a long period of static or regressive economic conditions. The 1920's and 1930's saw considerable shifts in ownership as a consequence of widespread tax delinquency, as well as the liquidation of lumber and other land-holding companies. Today, in all three areas, with the resurgence of the second-growth forests, forestry seems to offer a prominent opportunity for economic development.

Specifically, the objectives of this study were as follows:

1. To determine who are the small private forest owners, their groupings by occupation or principal area of corporate enterprise, their place of residency or origin of forest policy decision, and how much forest land each group owns.

2. To determine specific characteristics of small private forest landowners including ownership objectives, forest practices, participation in forestry aid and assistance programs, forestry problems typically encountered, and general attitudes toward managing their forest lands.

3. To determine procedures followed and problems encountered by the small forest landowner in harvesting and marketing timber or timber products.

4. To provide the basis for a comprehensive analysis of the small private forest landowner's present role in the timber supply pattern from the Upper Peninsula, to evaluate his future significance in this supply, and to suggest policies or programs that will facilitate a more rational utilization of his forest lands, from both the individual and social standpoints.

5. To provide information useful to both public agencies and private companies in planning for an increased contribution of the Upper Peninsula's forest resources to the area's economic progress and development.

The Study Area

Stretching almost 327 miles from the tip of Drummond Island on the east to its boundary with Wisconsin in the extreme northwest, and 160 miles in a north-south direction from the north shore of Keweenaw County to the southern boundary of Menominee County, the Upper Peninsula has a total land area of 16,539 square miles—larger than any of the following nine States: New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, Maryland, or Hawaii (fig 1).

Figure 1.—Lake States region and study area.

Fluctuations in population since 1890 portray much of the area's economic history during this period. There was a steep rise from 1890 to 1920 as mining boomed. Following the peak of mining activity about the time of the First World War, there was a decline through the 1920's. The country-wide great depression of the thirties produced in the Upper Peninsula (as in many other essentially rural areas) a slight rise in population as the unemployed returned from the closed factories of Detroit and Milwaukee. World War II and the post-war prosperity of the late 1940's produced outside job opportunities leading to an out-migration and a lower population in the 1950 decennial census. The very slight resurgence indicated by data from the 1960 Census can be traced to the construction of two large military air bases which brought in thousands of military and civilian technicians together with their families.

The population in the 1960 Census was 305,622—approximately evenly divided between urban and rural. Actually, many of those listed as rural live in towns and villages too small to qualify in the urban category. Marquette, Sault Sainte Marie, and Escanaba, with populations in the 15,000-20,000 range, are the largest cities in the area.

Upper Michigan is largely forest land, with approximately 89 percent of the land area so classified. Of the more than 9 million acres of forest land, 40 percent is publicly owned (mostly included in National and State Forests), 28 percent is in large private ownership, and 32 percent in small private ownership (fig. 2).

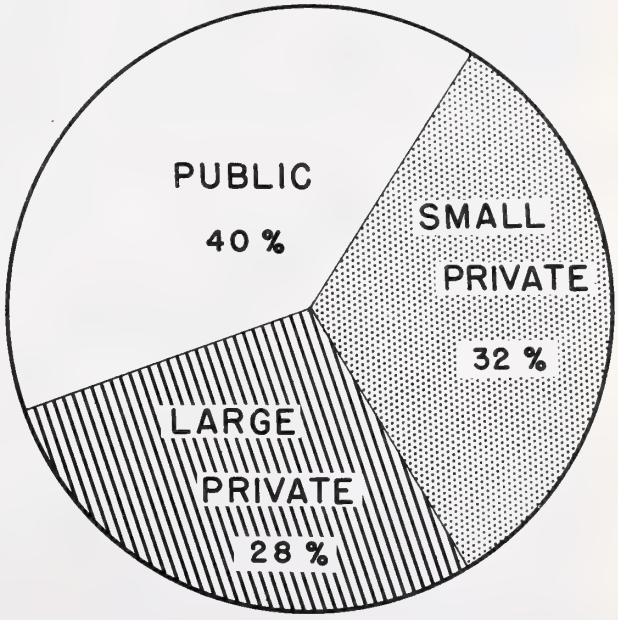

Figure 2.—Small private owners control almost one-third of the commercial forest land in Michigan's Upper Peninsula.

The Upper Peninsula economy is based on forestry. recreation, mining, and agriculture. Both mining and agriculture have declined in the last several decades. For mining, these declines have been a consequence of competition with mining in other parts of the country and overseas where ore deposits are richer and mining costs lower. In agriculture the declines have been part of a longer term pattern. Relatively short growing seasons (especially in the interior of the Peninsula) and limited high-quality agricultural soils, together with long distances to large centers of population and markets, have combined to limit agricultural development. The number of operating farms dropped from 13,087 to 8,381 between 1930 and 1954, and then further declined to 5,446 in 1960. The area in farms declined by slightly more than one-fifth during this 30-year period.

The forestry situation in the Upper Peninsula has changed and is changing. The past three decades have seen the problems encountered in shifting from timber use based on old-growth large sawtimber to utilization of products from second-growth timber stands. Many towns and villages have experienced economic hardships with the closing of a large sawmill built to operate on old-growth timber. Conversely, the increase in pulp and paper manufacture and pulpwood production has created new jobs both in the mills and in the woods (fig. 3). While six pulpmills or fibreboard mills operate in Upper Michigan, much of the pulpwood harvested is shipped to Wisconsin mills. In 1959 these shipments amounted to 447,000 cords.

The long coast line, numerous lakes and rivers, abundant forest lands (including vast tracts of public-owned forests), a pleasant summer climate, wild game, and a relatively small local population compared with land resources make the Upper Peninsula a very attractive vacation-land. It seems probable that the growing national population and (as hoped for) even more leisure time and improved standard of living should reflect themselves in greater recreational use of Upper Michigan's forests, streams, and lakes.

Figure 3.—This new fibreboard mill at L'Anse represents new jobs and new incomes for the Upper Peninsula. (Photo courtesy Celotex Corporation, L'Anse, Mich.)

Study Methods

This study used a list sample to provide both the basis for the estimate of the small owner population and the subsample for personal interviews.[1] A list of eligible owners (individual or multiple owners of nonplatted rural lands totaling between 5 and 5,000 acres) was assembled from public records. A 3-percent random sample was taken from this population, and each owner selected was classified as to occupation or type of ownership, place of residency, and total forest land owned. (Definitions of strata used in the study are included in the Appendix.)

[1] *The author wishes to thank Dr. Lee M. James of Michigan State University who gave many helpful suggestions in planning the study.*

Samples selected as outlined above were grouped into occupation—or use—class strata, and a subsample was made for interview purposes. Owners selected for interview included residents of the Upper Peninsula and absentee owners residing in Lower Michigan or Wisconsin. Three separate schedules or questionnaires were used. One was concerned with owner characteristics, objectives, practices, and attitudes toward various forestry programs, while the other two were marketing schedules covering sales of stumpage or cut timber products made within the last 5 years. The personal-interview subsample, made during the winter and spring of 1960, included 198 owners.

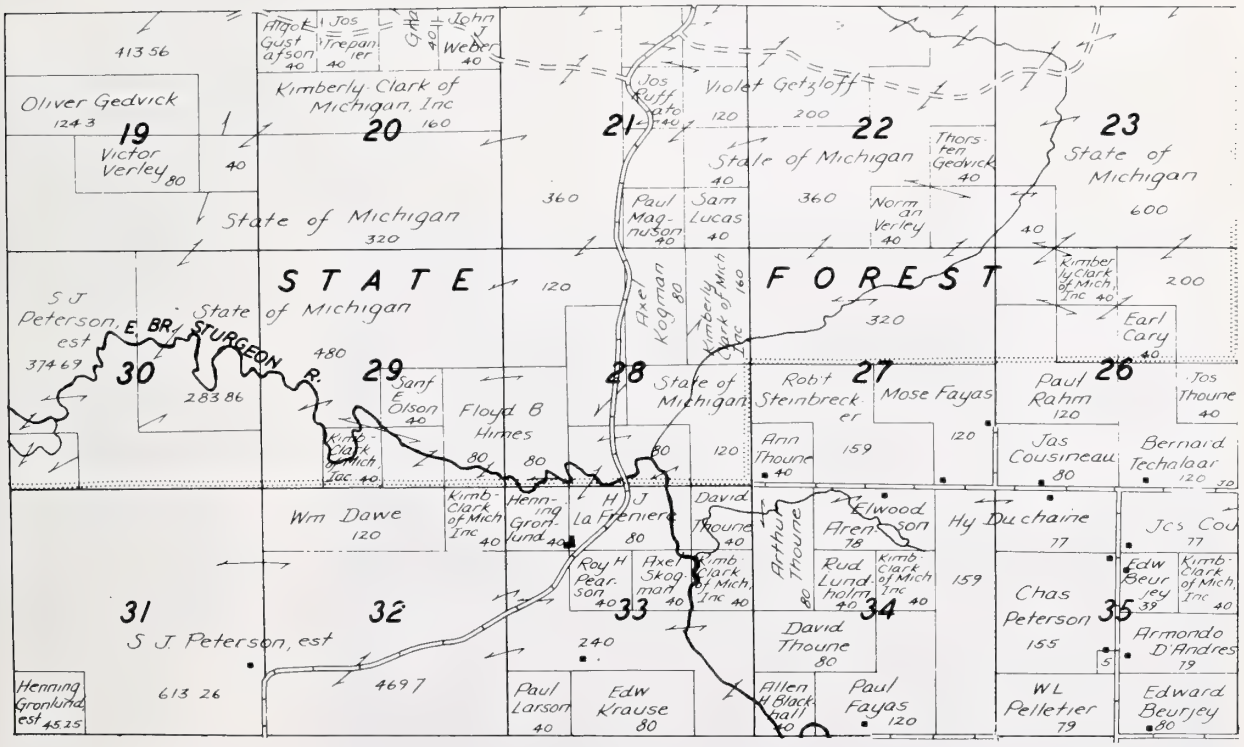

Figure 4.—To determine forest acreage owned, property descriptions of sample owners were first located on plat records such as this, and then the corresponding descriptions were examined stereoscopically on aerial photographs.

Owner and Ownership Characteristics

This study showed that the population of small forest landowners in the Upper Peninsula totaled close to 30,000 ownerships. These ownerships control more than 3¼ million acres of commercial forest land. Upper Peninsula owners make up 75 percent of the ownership; the remaining 25 percent are absentee owners who do not make their permanent homes in the area. At least in the Upper Peninsula, it no longer is true that farmers are the dominant component of the small private forest owner population (fig. 5). Farmer owners represent only 17 percent of the total number of owners and hold 13 percent of the small-ownership acreage; respective figures for absentee owners are 25 and 20 percent (table 1). Although the size of forest properties owned varied considerably, the average size holding for all owners was approximately 108 acres.

Individual ownerships comprise 87 percent of the total (ownerships held jointly by husbands and wives were considered individual ownerships) (table 2). Many of the properties listed in corporation ownership actually belonged to hunting clubs

Table 1. —*Distribution of ownership by occupation or type of ownership classification*

Category	Percent of owners	Percent of area
Wage earner	18	9
Farmer	17	13
Business-professional	10	22
Housewife-widow	10	13
Retired	10	11
Logger	3	6
Recreation group	3	2
Undivided estate	2	1
Multiple-miscellaneous	2	3
All Upper Peninsula owners	75	80
Absentee individual	16	6
Absentee housewife-widow	3	2
Absentee recreation group	4	4
Absentee other	2	8
All absentee owners	25	20
Total	100	100

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Figure 5. —Many former farms now serve their owners primarily as places of residency. The owners may now be retired or employed in off-farm work as miners, loggers or industrial workers.

Table 2.—*Distribution of form of ownership among the small ownership population*

Form of ownership	Percent of forest owners	Percent of forest area
Individual	87	80
Partnership	6	7
Club	2	1
Corporation	3	10
Undivided estate	2	2
Total	100	100

Table 3.—*Distribution of forest land by method of acquisition*

Method	Percent of forest land
Purchase from relatives	4
Purchase from nonrelatives	72
Tax Sale	2
Inheritance	20
Foreclosure or debt settlement	1
Gift	1
Total	100

which were organized as nonprofit corporations.

Slightly more than three-fourths of the total forest area had been acquired by purchase, while one-fifth had come into the hands of the present owners through inheritance (table 3). Land obtained at tax sales represented only a very small part of the total. That this should be the case is not too contradictory (in an area which had a history of widespread tax delinquency in the 1930's), as more than 70 percent of the total land had been acquired during the past 20 years, during which tax delinquency has steadily declined. Regarding expectations as to future tenure, 60 percent of the individual owners believed that they would retain their properties during the rest of their lifetime (table 4).

More than half of the owners do not reside on their properties—however, with the inclusion of those who do live on the property three-fourths make their permanent residence within 50 miles. Analyzing the ages of individual owners showed the average age to be 56 years, with many owners over 60 years old (table 5). Concentration of land ownership in the hands of older owners is particularly pronounced in an area such as the Upper Peninsula where there is considerable out-migration. Even among absentee owners there is little delegation of managerial authority over properties, either formally or informally. The only exception to this occurs among the housewife-widow class, both local and absentee, where decision-making often is delegated to a son or other relative.

Although many owners may have a number of ownership objectives, or reasons for owning a property, most can sort out one primary reason that exceeds all others in importance. On this basis it was found that ownership objectives varied considerably (tables 6 and 7). Prominent ones cited included: ownership to provide a residence, hunting or fishing use, general farm use, inactive (no tangible reason at the present time), and a site for a summer home or weekend cottage (fig. 6). Only 6 percent of the owners with 8 percent of the forest land gave timber production and timber values as their primary ownership objective. Among Upper Peninsula owners, residence and general farm use were

Table 4.—*Individual owner's expectations concerning future tenure*

Question	Percent of owners interviewed			Percent of forest area		
	Yes	No	Undecided	Yes	No	Undecided
1. Do you expect property to remain in family during owner's lifetime?	60	10	30	47	13	40
2. Do you plan to will property to member of family? (This question asked only of those answering "yes" to 1.)	51	1	8	39	1	7
3. Do you believe that heirs will retain ownership of property? (This question asked only of those answering "yes" to 2.)	7	—	44	4	—	35

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Figure 6—The recreational opportunities offered by the Upper Peninsula's forests, lakes, and streams are one of the leading reasons for ownership among small private forest landowners. More than one-fourth of these owners cited recreational use as their main objective in ownership.

Table 5.—*Age distribution among individual owners interviewed*

Age class in years	Percent of individual owners interviewed
Under 30	1
31-40	6
41-50	26
51-60	25
Over 60	42

Table 7.—*Objectives of ownership by broad categories*

Objectives of ownership	Percent of forest owners	Percent of forest area
Farm use	19	17
Timber values and use	6	8
Recreational aspects	27	14
Residence	19	12
Mineral exploitation	1	8
Investment, inactive and for sale	28	41
Total	100	100

Table 6.—*Objectives of ownership by specific categories*

Objectives of ownership	Percent of forest owners	Percent of forest area
General farm use	17	16
Pasture	2	1
Source of fuelwood	2	1
Sale of timber and timber products	4	7
Adjunct or part of a resort	1	1
Summer home or weekend recreation	9	5
Hunting or fishing site	17	8
Residence	19	12
Business site	*	*
Sale of minerals or mineral rights	1	8
Investment or speculation	6	26
Inactive	14	10
Property for sale	8	5
Total	100	100

*Less than 0.5 percent.

the two most prominent reasons for ownership, while among absentee owners hunting or fishing and summer home use were the two reasons most often cited. On a percentage basis, the number of owners attempting to sell their properties was twice as great among absentee owners as among Upper Peninsula owners.

Woodland Practices

Tree planting for forestry purposes is not a widespread practice among these owners. Only 13 percent of the owners who owned open land suitable for planting had made reforestation-type plantings (table 8). The largest size planting encountered was 25 acres while the average size was about 7 acres. In contrast to the Lower Peninsula, the tree-planting "fever" does not reach to the Upper Peninsula. Empirically it would seem that this difference between the two areas is caused by distance and background. First, the Upper Peninsula is further removed from the metropolitan centers of the Midwest, and the opportunities in growing and selling Christmas trees do not loom so bright. Second, the Upper Peninsula has a smaller proportion of its forest area in nonstocked lands suitable for planting. In addition, farmers who either had cleared the lands themselves in the early part of the century or had watched their fathers clear it are apparently not so keen on planting trees back on fields where tree stumps so recently had been laboriously removed.

Timber sales and timber harvesting occurred more frequently, 24 percent of all owners having sold timber from their property within the last 5 years (fig. 7). Among owners who had not sold timber the most prominent reason cited was insufficient merchantable material in their second-growth stands to date to make timber cutting or sales worth while. In addition to those making sales, another 19 percent had harvested fuelwood, posts, or other products for "home use."

Excluding tree planting and timber harvesting, few owners had done any other work in their woodlands. When queried as to why they had not done such things as thinnings or other constructive forestry measures, more than half said they simply

Table 8.—*Summary of owner's woodland practices* [1]

Ownership class	Percent of owners carrying out forestry-type activities			
	Reforestation	Sale of stumpage or cut products	Timber cutting for home use	Thinnings or other forestry operations
Farmer	25	52	26	11
Recreation group	33	0	0	0
Professional-business	42	26	9	22
Wage earner	11	10	28	0
Undivided estate	0	0	33	0
Retired	0	59	18	4
Housewife-widow	0	17	26	0
Logger	25	56	22	0
Multiple-miscellaneous	14	22	11	0
Upper Peninsula owners	14	31	22	7
Absentee individual	0	0	9	4
Absentee housewife-widow	0	0	12	0
Absentee recreation group	33	0	22	0
Absentee "other"	0	0	0	0
All absentee owners	9	0	11	4
All owners	13	24	19	6

[1] *Because some owners may have performed more than one practice, the data are not mutually exclusive; hence no column has been set up showing the total percentage who have performed at least one of the woodland practices.*

Figure 7.—Loggers, farmers, and retired owners are most apt to have made sales of cut timber products from their lands. Many farmers indicated that they depend on logging, either on their own lands or on purchased stumpage, to supplement their farm income. Some referred to their winter logging operation (which might be a pulpwood sale as shown here) as a "winter cash crop." (Photo courtesy of Michigan Department of Conservation.)

hadn't thought much about it, while another third indicated that their interest in holding the land did not specifically include the physical condition of the timber.

Performance of the forestry practices discussed above varied considerably by ownership classes (table 8). The farmer, business-professional, and logger classes showed the most activity, while the local recreation group, undivided estate, housewife-widow, and absentee classes showed little activity.

Credit and Property Taxation

The availability of credit did not seem to be a factor affecting owners in the handling of their lands, and very few expressed interest in obtaining credit for forestry purposes even if it was made readily available. This lack of interest probably is due to the fact that at this time few owners regard the forestry potential on their lands as an investment opportunity—that is, not in the sense of being interested in large-scale reforestation, thinnings, or other forestry practices carried beyond the hobby stage.

Similarly, the property tax did not appear to be a major factor affecting the decisions of the majority of these owners even though in many cases property taxes seemed very high on unimproved properties. This lack of concern was particularly evident among absentee owners who have as their index of comparison urban property taxes in the Lower Peninsula and elsewhere. However, among some of the larger small owners (particularly in the business-professional group) who expressed interest in holding lands for forestry or general investment purposes, the property tax was of real concern. For these owners Michigan's main yield tax law, the Pearson Act, does not appear to be a solution; most owners who knew of the law believed that a listing under the law would tie up their property. Only 16 small owners had lands in the Upper Peninsula listed under the Pearson Act in 1959. [2]

[2] *Letter from J. D. Stephansky, Assistant Chief, Lands Division, Michigan Department of Conservation, Lansing, Michigan, August 27, 1959.*

Forestry Programs

Although there are a number of public and private sources of forestry information and assistance in the Upper Peninsula, the sum total of such effort is quite small. The State Service Forestry Program, initiated in the Upper Peninsula in 1957, provided only 16 man-months of professional service in 1959. One extension forester, working with 14 county extension agents, covers the entire area. In addition to these sources some forestry advice and assistance is provided by eight District Soil Conservation Service technicians, two of whom are trained foresters. Private forestry help is available as an additional responsibility of foresters employed by some of the pulp and paper companies or other wood-using indutries, or from the two full-time private consulting foresters doing business in the Upper Peninsula.

In addition to technical advice, cost-sharing payments (subsidies) for performing certain approved forestry practices are available to some of the small forest owners under the Agricultural Conservation Program. In 1958 these payments for tree planting, noncommercial thinnings, pruning, or other timber stand improvement work totaled $24,544—an average of $1,636 per Upper Peninsula county.

More than 60 percent of the owners did not know that there were public programs which would provide a landowner with on-the-ground advice concerning his forestry problems. Of those who indicated some awareness that such services could be obtained, only a minority could name a specific source of such help.

About one-eighth of the owners at some time have had a professional forester or other land-use technician examine their properties concerning some phase of forestry or forest use. Most of this help was to provide advice on tree planting. Of those owners who had never had their woodlands visited by a technician, only a small group (4 percent of all owners) had talked with a technician concerning forestry problems.

Printed forestry information — bulletins, pamphlets, etc.—had been received at some time by about one-sixth of all owners. This material had come from a variety of places, but the leading sources were county extension agents, State foresters (including

the Lansing office of the Department of Conservation), and Michigan State University. Many of those who had received written information also had had personal contacts with foresters or other land-use technicians.

Similar to the situation in respect to the performance of forestry practices, a considerable difference existed between ownership classes concerning their knowledge of and use of forestry aid and assistance (table 9). Again, the farmer and business-professional groups ranked foremost, while those showing the least knowledge and use of available forestry assistance were the wage earner, undivided estate, retired, and housewife-widow classes. The absentee owners as a group did not rank much lower than Upper Peninsula owners in their awareness that forestry aid was available and in their use of such aid.

The big difference is not between the groupings of Upper Peninsula and absentee owners, but rather between two ownership classes—farmers and business-professional owners and the rest of the population. That farmers would rank high is not surprising, because they long have been the target of various public information and assistance programs.

Forestry literature frequently arrives in the farmer's mail box via the county agent, and forestry cost-sharing payments under the federal Agricultural Conservation Program are described in the brochures on the current conservation practices as mailed out to most farmers by the local Agricultural Stabilization and Conservation office. Because he works where he lives, he is not difficult to contact and can easily be found at home by the county agent, Soil Conservation Service farm planner, or service forester. In contrast, the business-professional owner typically must solicit any assistance he receives, and more often than not he does not reside on his forest property. Some of the implications in this comparison between these two more active ownership classes will be discussed a little later under the recommendations section.

Table 9.—*Summary of owner's knowledge of and use of forestry aids or assistance*

Ownership class	Percent of owners who have knowledge of and use forestry aids or assistance				
	Aware that on-the-ground assistance is available	Aware of a specific source of assistance	Has had property visited by a technician[1]	Has received verbal advice without an on-the-ground visit	Has received written forestry material
Farmer	73	33	30	4	18
Recreation group	54	36	18	0	9
Business-professional	61	48	30	17	35
Wage earner	20	10	7	3	14
Undivided estate	0	0	0	0	0
Retired	27	9	9	0	18
Housewife-widow	22	0	0	0	4
Logger	33	22	11	0	0
Multiple-miscellaneous	44	11	0	0	11
All Upper Peninsula owners	41	20	15	4	16
Absentee individual	31	9	0	4	26
Absentee housewife-widow	24	12	0	0	0
Absentee recreation owner group	44	22	11	11	44
Absentee "other"	66	0	0	0	0
All absentee owners	34	11	2	5	24
All owners	39	18	12	4	17

[1] *Refers to a forester or land-use technician.*

The receipt of cost-sharing payments for performance of forestry practices under the Agricultural Conservation Payments Program is not listed in table 9 because many owners apparently are not eligible. Although the actual interpretation of eligibility requirements concerning forestry payments seems to vary county by county, a literal interpretation of the enabling law would exclude owners who do not reside on the forested property or, if absentee, do not have the property operated as a farm. Of those owners considered eligible for payments (as interpreted here to consist of resident owners or nonresident owners whose property is operated as a farm), more than half had never heard of this form of forestry assistance. Among owners who did know of the payments, about one-sixth at some time had applied for and received payments. Two-thirds of these payments had been received for planting trees while the remaining third was for timber stand improvement work in existing stands.

The study failed to show much participation by these small owners in the Tree Farm Program. Only 3 of the 198 owners interviewed had their properties listed as Tree Farms, and 2 of these owners were professional foresters themselves. A check with the national agency responsible for administering the Tree Farm Program disclosed that in the Upper Peninsula 128 small owners with a combined area of 31,891 acres were enrolled in the Program.[3]

Responses to More Intensive Forestry Proposals

All owners were queried concerning their interest in participating in three aspects of more intensive forestry: Employment of consultants, joint management associations, and leasing of lands for forestry purposes. About one-eighth of all owners expressed some interest in the joint management associations or in leasing their lands for forestry purposes. About one-half of this number were interested in using the services of a hired consultant. Among ownership classes, the local business-professional class expressed the most interest in all three proposals. Collectively, the interest among absentee owners was higher than that among Upper Peninsula owners in all three aspects, with close to one-fifth of the nonresidents indicating some interest in both management associations and leasing.

Marketing Practices

Sellers of stumpage and cut timber products seem to form two quite different groups. The first are quite passive in their sale activity, making transactions largely because of the persuasiveness of the buyer. The second group—a majority of whom were loggers, farmers, and retired persons dwelling on or near the property—typically instigate the sale themselves and take an active part in most phases of the marketing transaction (fig. 8).

The sale of cut products offers the owner the opportunity to realize an income from not only the sale of his stumpage but also his personal labor. On pulpwood sales particularly, this difference between stumpage value alone and value of the cut products delivered at the roadside, mill, or other transfer point can be quite significant, making cut product sales much more attractive than stumpage sales for the owner who is interested in and able to do the harvesting himself.

[3] *Letter from Mr. Young W. Rainer, Forester, American Forest Products Industries, Inc., Washington, D.C., March 9, 1961.*

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Figure 8.—If the future sees more of these lands moving into the hands of absentee owners, fewer of whom feel the financial need to make timber sales or have the ability or time to do logging, the pattern of supply transactions may tend decidedly toward stumpage sales. Reliable contract logging could provide a valuable service to the absentee owner who is reluctant to sell his timber on a stumpage basis but is unable to carry out the logging himself.

Conclusions

Apparently there is no simple relationship between a class of owners or ownerships and their performance of forestry practices or attitudes toward such practices. This conclusion has also been reached by other researchers in the field. An analysis of the small private forest ownership situation in any locality must embrace not only the character of the forest resource itself, as exemplified by the size of holdings and condition of tree stocking, but also the economic, social, and physical environment. Factors relevant to the analysis would include the alternative opportunities available to the owner, his asset position, age and physical ability to do or supervise forestry practices, educational background, scheme of social values, ownership objectives, the historical background of the area, and the extent and effectiveness of existing public forestry aid and assistance programs. Obviously, the extent to which these facts can be gathered will depend on the size of the ownership population involved and the purposes for which the analysis is intended.

At the present time in Michigan's Upper Peninsula there is no basis for unbridled optimism concerning the role of forestery on these small ownerships. Most of the properties are relatively small and support second-growth tree stocking. The investment potential at this time is not high. Over half of the owners do not reside on their properties and usually are not in a position to do woods work in their spare time. For the majority, their main reason for owning their property concerns some value other than forestry. In addition, there is a sizable group of owners whose future tenure is fragile because they already have their properties for sale or cannot now cite any tangible reason why they continue to retain ownership. Public forestry programs have failed to reach a majority of these owners, even to the extent of establishing an awareness that the programs exist.

These factors, although contrary to some stereotyped concepts of conditions and opportunities in small forest ownerships, are not surprising. Patterns of land use, economic opportunities, and population mobility have undergone revolutionary changes in the past 20 years. The end of farming as a leading land use in many marginal agricultural areas is an established fact. The former small dairy farmer may still live on the home place, but now he has a job in town. His spare time for chores around the property may not be much greater than that of the doctor or lawyer who is a landowner. His willingness to do extra work for extra income often depends on the relative magnitude of these extra incomes in comparison to his primary wages or salary. More and more urbanites are pushing into the north country for recreation; many of these are becoming landowners. These owners, who visit their properties for summer vacations or for fishing or hunting trips, are unlikely to engage in strenuous woods work beyond those casual efforts enjoyed as a hobby. The belief that these private lands can be consolidated into economic units under single ownerships for forestry purposes seems to have little foundation. Excluding public lands and holdings of the paper companies and other wood-using industries, it seems probable that the future will see more rather than less fragmentation of holdings. The prices now being paid for tracts for recreational purposes frequently make it more attractive for holders of larger tracts to dispose of their lands 40 by 40, rather than to attempt to sell them as a block.

That there should be a considerable turnover in properties and many owners with very slim reasons for ownership is not unusual. Personal situations change, emergencies develop, and plans for the future are thwarted. Under a political system entailing private landownership we can expect a continued and endemic proportion of lands to be changing hands at all times. This reflects the social, occupational, and geographic mobility inherent in our political system.

Recognizing the above factors, it still should be possible to plan programs that will encourage better forestry practices and a greater contribution to the Upper Peninsula economy by these small forest ownerships. Granting that many owners have an ownership objective which is paramount over forestry, it still should be possible to raise forestry to a higher ranking among their scheme of secondary objectives while at the same time strengthening its position among those owners who do recognize it as a primary ownership objective.

Recommendations

Present public programs of forestry information and assistance in the Upper Peninsula constitute only a token measure. Spread over an ownership population of some 30,000 owners with 3¼ million acres of forest land, these efforts could be expected to have only limited effects. If expanded programs are socially desirable, the following factors should be recognized:

1. Expanded programs should be selective, concentrating first priorities on larger size properties and in the ownership classes which show the most interest and likelihood of carrying out management recommendations. In this study, the business-professional class seems to be a group which, because of interest and apparent ability to carry out plans, would offer a "high investment opportunity" for public forestry education and assistance efforts.

2. Confusion in the minds of owners concerning public agency services and programs needs to be reduced. One way to do this effectively would be to consolidate public programs, especially in the sense of firmly establishing in the public mind the image of one agency as the primary source of forestry information and assistance. The patterns involved in these various public forestry programs can be complicated enough for the professional technician, and in most cases are downright baffling to the small owner or "customer" for whom they are intended. A potential recipient of assistance is now referred to one office for one phase, then to another for a second, and frequently to a third for another. The recommendation to reforest a piece of land may be received from a technician employed by one agency, the trees are obtained from a second, and if the owner applies for forestry payments this application is made to a third, who processes the application but defers payment until the practice is certified as complete by a forester employed by still another agency. Thus there is no creation in the owner's mind of one agency who deals with his forestry problems. This writer views the failure to identify "the small forest ownership agency or technician" as one of the major reasons why forestry programs have been slow to reach small forest owners. This is one obstacle to program effectiveness that, with a certain amount of planning and program reorientation, could be eliminated or greatly reduced.

3. A high priority should be given to establishing joint management association or co-ops. This need is especially strong because a significant proportion of the owners do not live on their properties and many of them do not even live in the Upper Peninsula. Such owners have little time to carry on forestry practices or even supervise such operations. Since this group seems to be growing, their participation in some form of joint management association could ensure that their lands would not be lost to the forest economy through default. In this respect private consulting foresters might very well play a beneficial role in initiating or assisting the operations of such institutions.

4. Expanded vocational training and extension efforts in forestry could pay a big dividend in the Upper Peninsula. These, of course, should be well integrated with technical service programs, with boundaries of responsibilities well defined. In many instances Upper Peninsula residents combine employment in various aspects of the recreational industry with woods work as independent loggers or company "jobbers." This often provides very practical dual employment, as the peaks of recreational business are seasonal and logging is carried on during the slack time. Both vocational training and expanded extension programs, particularly on phases of timber harvesting and marketing, could increase these opportunities by providing better trained individuals to carry on logging and other forestry operations both on industrial and small private ownerships.

Summarizing, it appears that if forest practices and productivity on the lands of Upper Peninsula small private owners are to be improved, public forestry programs should better coordinate and consolidate efforts and, through recognizing the changing nature of the owner and his environment, establish channels and service institutions which are most effective in reaching and influencing him.

Appendix

Definition of Ownership Classes [4]

Farmer.—An individual owning more than 5 acres of land, devoting at least three-fourths of his work time to farming, and considering farming his principal occupation and source of income. [5]

Farmer woods-worker.—An individual owning at least 5 acres of land which he farms but who, in addition, spends more than one-fourth of his work time in logging or other phases of woods employment.

Part-time farmer.—An individual also fitting the previous category, but whose nonfarm employment is other than woods work.

Recreation group.—A collective ownership organized on a nonprofit basis, such as an informal group owning land for hunting or fishing purposes.

Business-professional.—An individual engaged in business, in a recognized profession, or serving as a public official. Other than business entrepreneurs, individuals in this category would be salaried.

Undivided estate.—A category in which ownership is in the hands of the heir or heirs of an unsettled estate in land.

Retired.—A male owner who is retired from active work by reason of age or physical disability.

Housewife-widow.—Any woman not classifiable under any other listed category. Where the ownership is listed under a wife's name but the husband is living and apparently the policy maker for the property, he will be indicated as owner and his occupation cited.

Logger.—An individual who devotes the majority of his time to logging operations in which he acts as the entrepreneur, and who does not qualify as a farmer woods-worker.

Multiple-miscellaneous.—Ownerships listed in the names of two or more individuals, generally members of the same family and not man and wife, in which the purpose for ownership does not fit any of the other group categories such as recreation or undivided estate, or could not readily be determined at the time of the first-stage sample.

Absentee individual.—A masculine owner (or husband and wife co-owners) who makes his permanent residence outside of the Upper Peninsula.

Absentee housewife-widow.—A female owner who owns land as an individual and makes her permanent residence outside of the Upper Peninsula.

Absentee recreation group.—A collective organization, whose members make their pemanent residence outside of the Upper Peninsula, organized on a nonprofit basis such as an informal group owning land for hunting or fishing purposes.

[4] *With the exception of those designated as absentee classes, all definitions apply to individuals who make their permanent residences in the Upper Peninsula.*

[5] *The "part-time farmer" and "farmer woodsworker" groupings were merged with "farmer" into one broad category. In the Upper Peninsula the distinction between the three is quite variable, depending largely on the off-farm opportunities or timber marketing conditions prevailing during a particular time period.*

Some Recent Station Papers

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