

What is Needed to Create and Sustain a Vibrant Biomass Market



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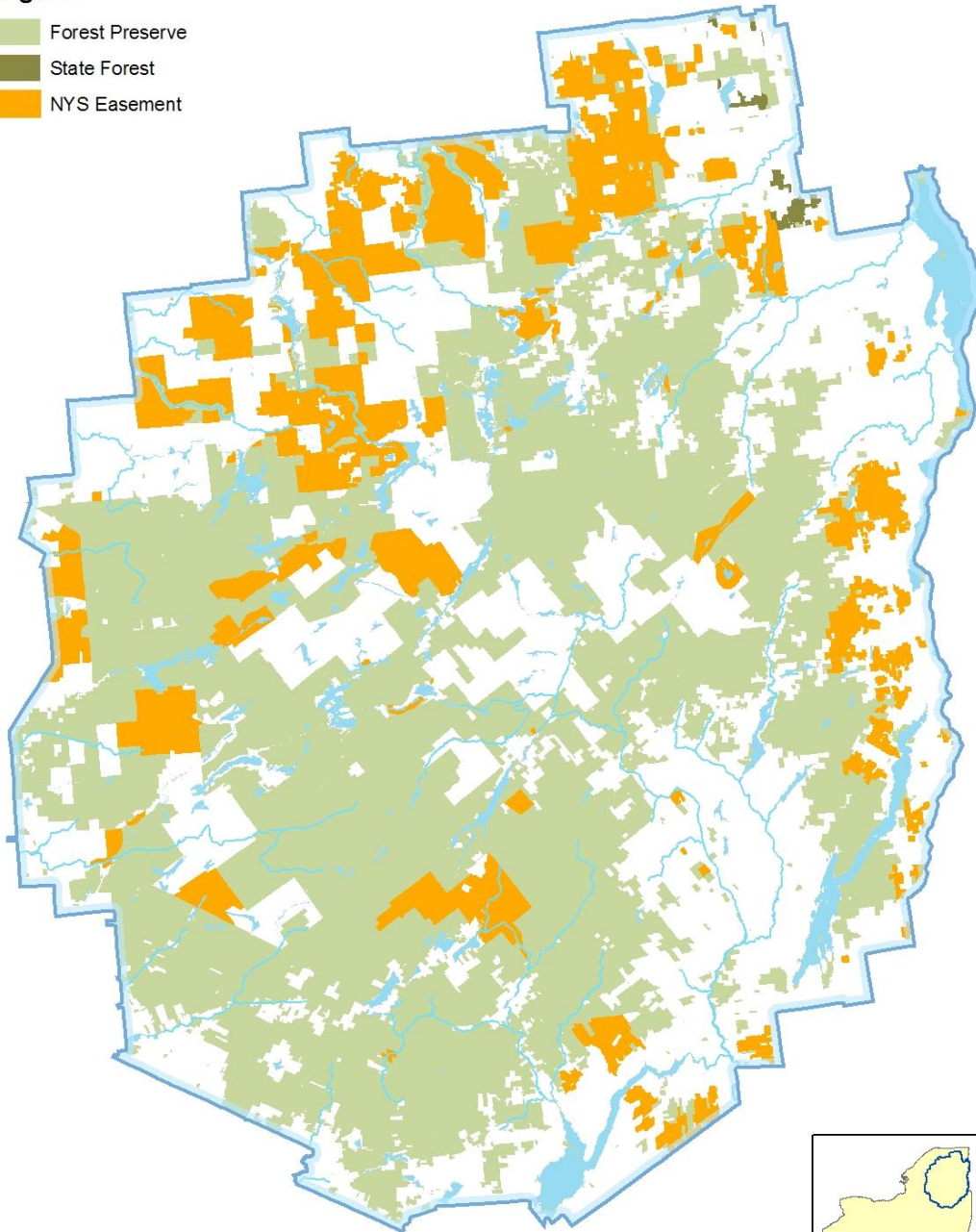
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Adirondack State Park

Legend

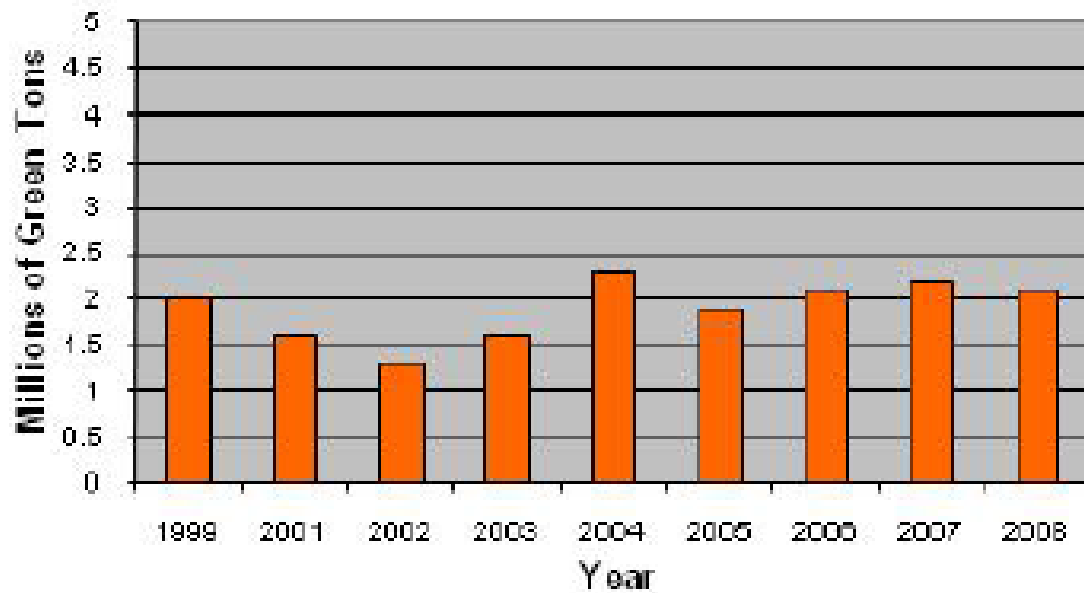
- Forest Preserve
- State Forest
- NYS Easement



The Lyme Timber Company

- The Lyme Timber Company been involved through our investment and advisory work in slightly more than 400,000 acres in the Adirondacks
- At present, Lyme owns 276,000 acres in the Adirondacks
- Lyme also owns timberland in Maine, Massachusetts, Pennsylvania, Virginia, Delaware and Louisiana

New York Pulpwood and Chips Harvest 1999-2008

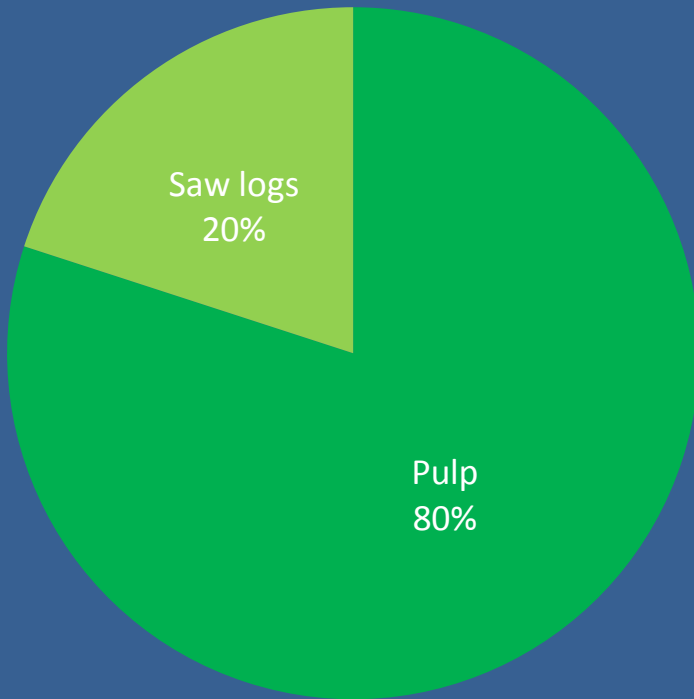


Source: NYS Department of Environmental Conservation Forest Utilization Program

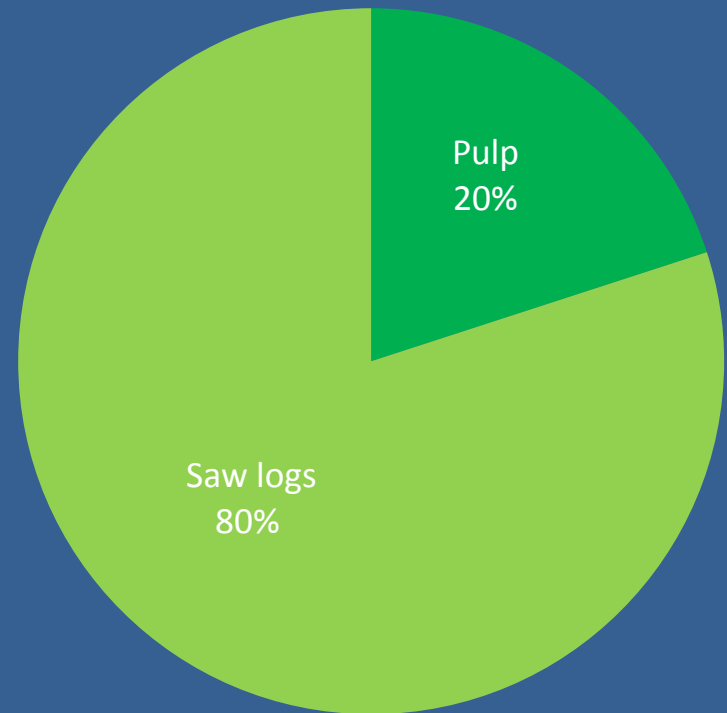
Pulp vs. Saw logs

Per acre of timberland...

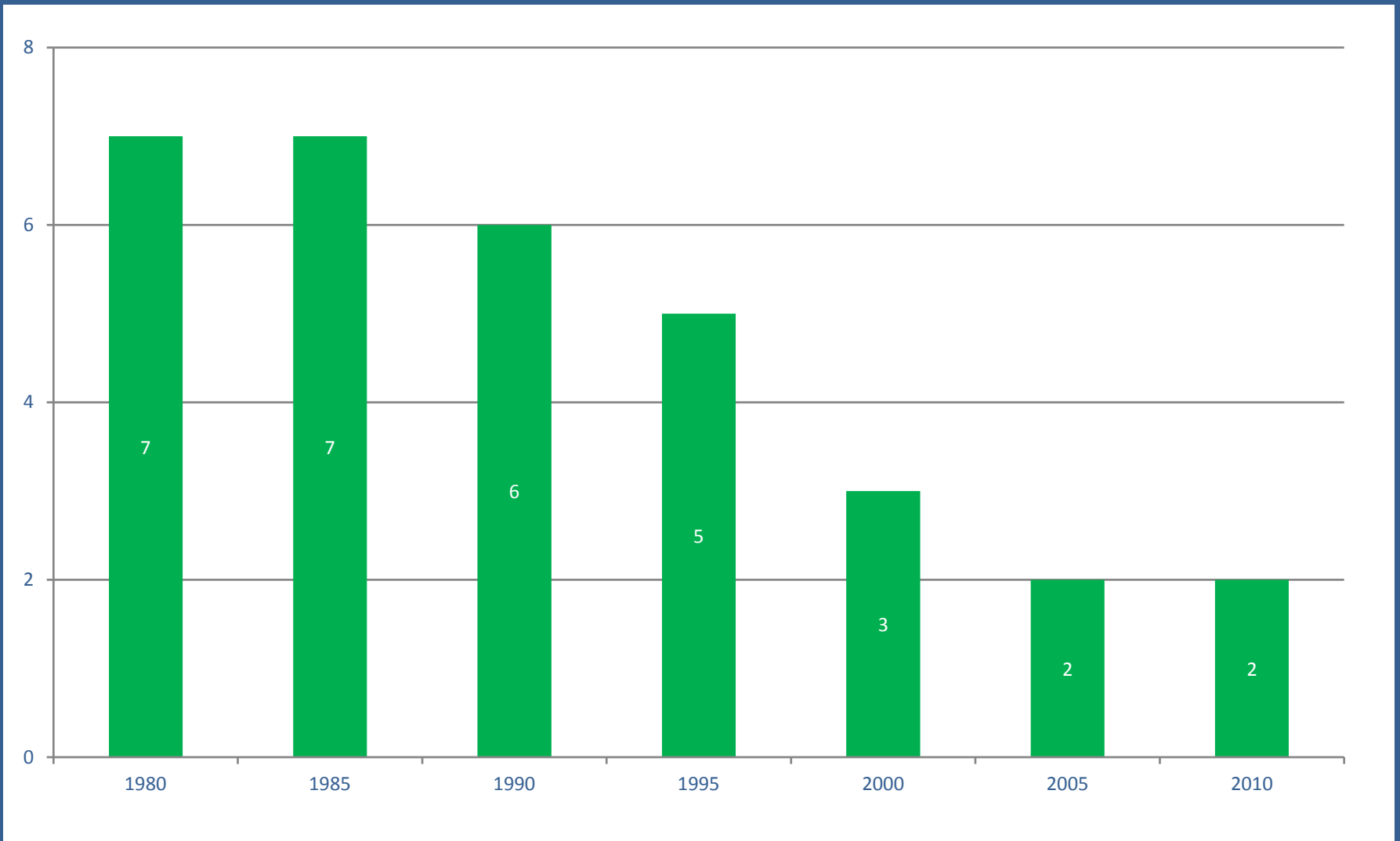
Volume



Economic Value



Pulp and paper mills in operation in NY 1980-2010



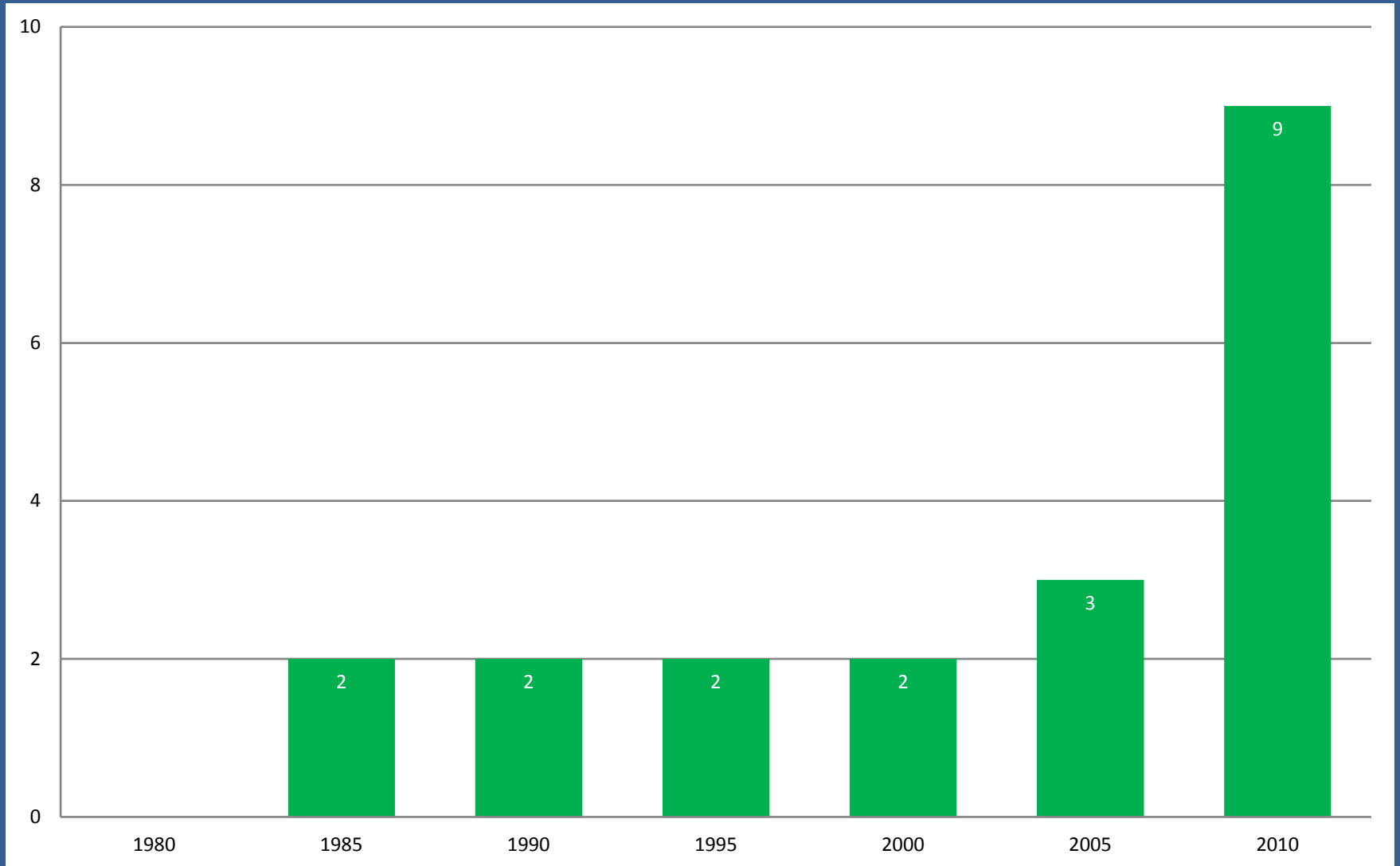
Consequences of Reduced Pulp Markets

High grading: The common, detrimental practice of removing only the best quality, highest-value trees from a forest and leaving behind all the small, low-value trees



- Disadvantages of high grading:
 - Increased composition of poorer quality, slow growing, less vigorous, low value species in residual trees and new seedlings
 - Decreased overall species and genetic diversity of the trees in the harvested area
 - Decline in long term health and productivity of the forest over time
 - Financial loss over time due to less volume and lower quality trees remaining in the stand
- Reasons for high grading:
 - Large immediate payoffs for loggers and landowners
 - Lack of local markets to sell small, low value trees
- The role of biomass:
 - A market for biomass would provide loggers an incentive to remove the low quality trees from a forest stand which would increase the overall and long term health of the forest

Power & pellet plant mills in operation in NY 1980-2010



Looking Forward

- NY State Policies
- Federal Policies
- Federal Programs
 - USDA Biomass Crop Assistance Program (BCAP)
- Certification



Questions?

