

Allagash Headwaters Forestry Project

Project Summary and Additionality

Allagash Headwaters is located on approximately 14,800 acres in the industrial forests of northern Maine and owned by Hull Forestlands Maine (Hull). The Hull family of companies, which includes timberland scattered across New England and a sawmill in Pomfret Center Connecticut, focuses on the production of traditional forest products. This carbon project is the owner's first foray into the carbon markets and serves as a test case for potential future carbon projects across their land base. The property has undergone successive rounds of industrial timberland management—first for sawtimber, then for pulp grade products. In addition, the previous landowner harvested heavily, cutting more than 70% of the 20-year sustainable harvest level in the 5 years prior to Hull ownership. Because the property was timbered so heavily, Hull implemented a lighter touch management approach after their 2015 acquisition as a strategy to recover forest stocks and increase the value of standing timber on the land. The implementation of the carbon project will further promote carbon storage and sequestration on the landscape.

The Allagash Headwaters property is mortgaged; leaving Hull obligated to service the loan through whatever means available. Through extensive research on carbon markets prior to initiating their carbon project, Hull ownership found that the growing voluntary corporate demand for emissions reductions could lead to credit prices that exceed the timber value of the forest—their determining factor in the decision to pursue a carbon project. If Hull does not receive meaningful value from the carbon markets, their leveraged situation compels them to harvest aggressively, and in the absence of carbon revenues, harvesting would be in line with Hull's financial objectives and similar to the previous landowner's aggressive management. Carbon revenues allow Hull to harvest more sustainably, leading to fewer disturbances on the landscape, increased diversity of forest makeup and health, accelerated carbon storage, and improved habitat protection for species of concern, such as the Canada Lynx (threatened) and the Rusty Blackbird (species of special concern in Maine).

14K+

Acres protected

577K+

tCO₂e emissions reductions
over the project's first 20 years

10

Recreational leases

Standard: American Carbon Registry





Baseline Description

(alternative land management scenario in the absence of the carbon project)

Throughout the project area's geographic region, industrial forestland like the Allagash property is often heavily harvested through clear-cutting and high grading in the service of maximizing the net present value of the forest asset. Reports from the Maine Department of Agriculture, Conservation, and Forestry show that wood product demand from this region has been consistently strong for both hardwood and softwood species for many years^[1] and support expectations that the appetite for wood products from the project region will remain healthy in the future.

The baseline scenario models carbon stocking across the property, in the absence of carbon revenues, under an aggressive harvest plan in line with Hull's financial objectives and similar to, though less intensive than, what was implemented on the forest prior to Hull's acquisition of the property. As a measure of conservativeness, this baseline stocking level is set higher than the stocking that existed when Hull acquired the property. Given the project's current stocking and the ample regional demand for the timber the property could supply, harvest levels meaningfully more aggressive than those built into the baseline could readily be carried out on the property, but thanks to the value carbon credits stand to generate, Hull will be able to manage this forest with a focus on lighter-touch timbering and long-term growth in forest stocking.

How does IFM generate both removals and conservation credits?

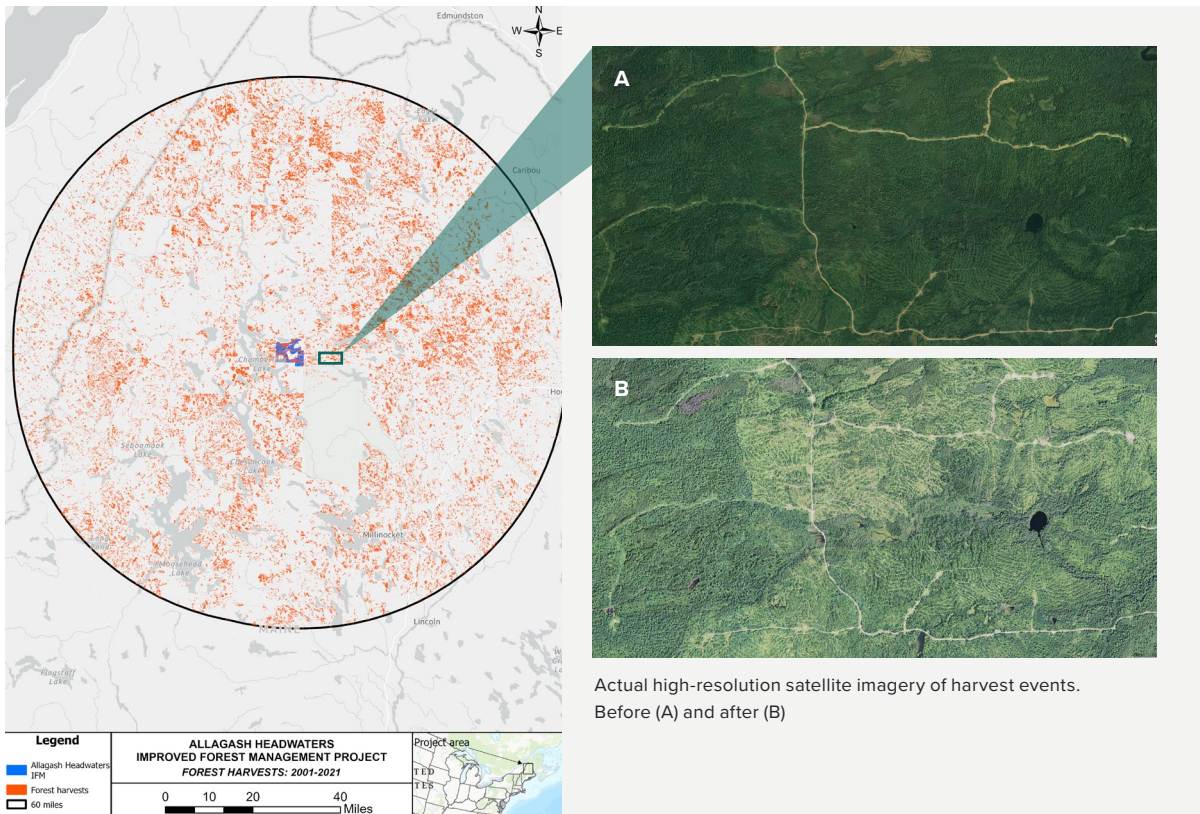
Conservation Credits

Conservation credits account for climate benefit coming from the protection of the project area. Emissions that would have been released if the land was instead harvested in the absence of the project are quantified. Many of the co-benefits associated with forestry projects are inherently linked to the preservation of existing forest stands.

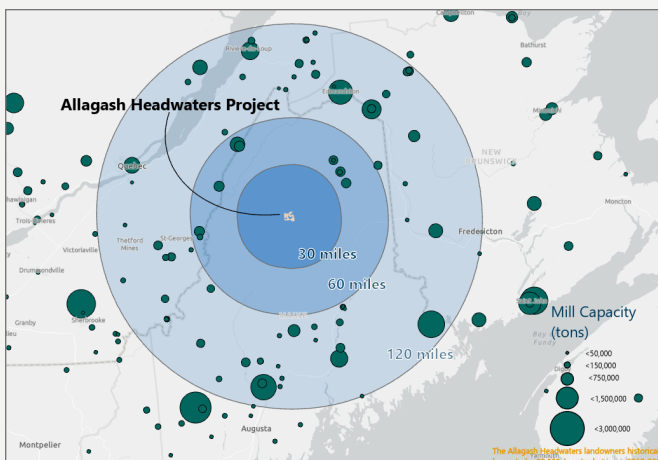
Removal Credits

As the newly protected trees grow, carbon is pulled from the atmosphere and sequestered in the trees' wood material through the most proven direct air capture technology on the planet, photosynthesis.

Regional Harvest Activities



All harvests/forest losses larger than 5 acres that happened between 2001 and 2021 within a 60 mile radius from the project area are depicted in orange¹, showing the very real pressures on forests in the area. The carbon project ensures sustainable management on the project area for 40 years, twice as long as the period depicted above.



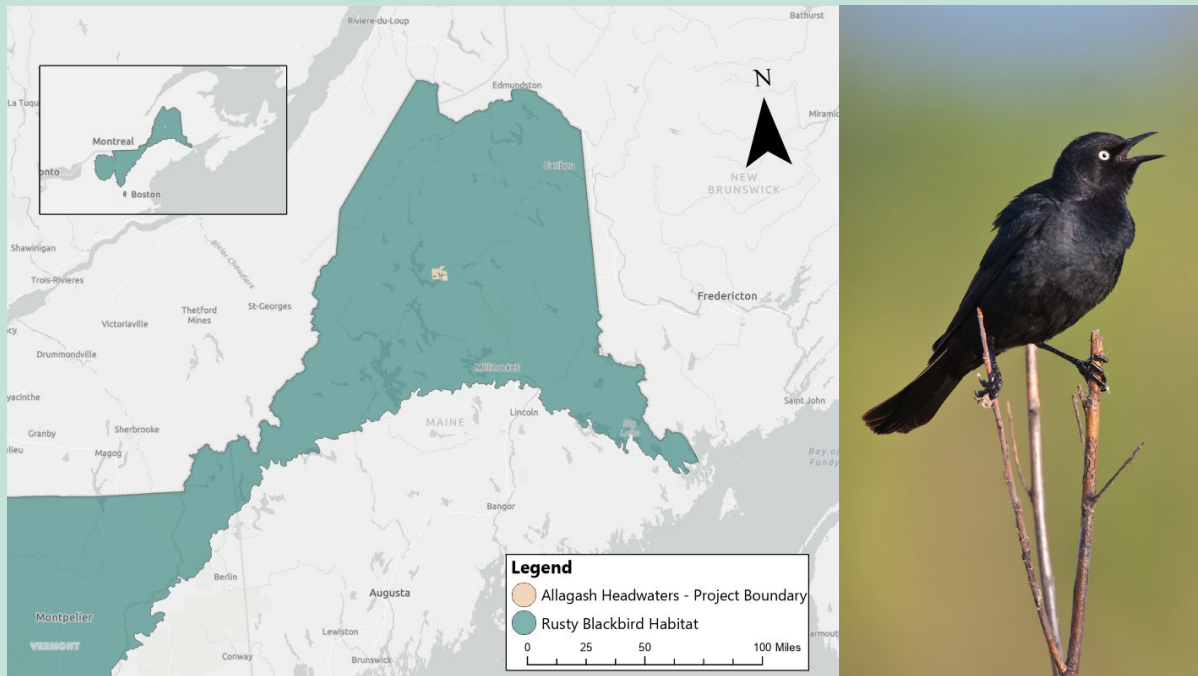
Regional Mill Capacity

This map represents forest product mills within the vicinity of the Allagash Headwaters project area. Had harvesting been pursued in the absence of the carbon project, there is ample mill capacity in the region.

¹ Hansen, M. C., P. V. Potapov, R. Moore, M. Hancher, S. A. Turubanova, A. Tyukavina, D. Thau, S. V. Stehman, S. J. Goetz, T. R. Loveland, A. Kommareddy, A. Egorov, L. Chini, C. O. Justice, and J. R. G. Townshend. "High-Resolution Global Maps of 21st-Century Forest Cover Change." *Science* 342 (15 November 2013 & updates): 850–53. Data available on-line from: <https://glad.earthengine.app/view/global-forest-change>.

Ecological Feature: Rusty Blackbird

The Allagash Headwaters project area contains important summer breeding habitat for the Rusty Blackbird, a species of special concern in Maine, which has experienced a sharp population decline in recent years. Under the Allagash Headwaters forest carbon project, the forested wetlands that the Rusty Blackbird uses for nesting will be protected, as will the more upland sites where it forages. The reduced harvesting levels associated with the carbon project should help to reverse the regional decline of this unique songbird species.



Sustainable Development Impacts



This project provides additional protection and filtration for the streams and tributaries that run through it and for the watersheds they drain into.



Recreational activities and cabin rentals on the property provide other income, allowing the project to be managed without the need for heavy commercial harvesting.



This project will help trees grow into maturity and sequester a greater amount of atmospheric carbon dioxide through their natural life cycles. Over its first 20 years, the project is anticipated to create over 577,784 tCO₂e of emissions reductions.



The area hosts many water and land species. By sustainably managing the forest for long-term health, it provides protection for mammals and water species, including native trout.