

Forest Stewardship State Advisory Committee Meeting
Minutes
July 8, 2009
Quality Inn, Gaylord, MI

MEMBERS PRESENT:

Gerald Grossman, Grossman Forestry; Katie Kahl, Heart of the Lakes Center for Land Conservation Policy; Jerry Lambert, Forest Resource Service; Eric Ellis, Conservation Resource Alliance; Russell Kidd, MSU Extension ; Amy Spray, MUCC; Gib King, USFWS; Cara Boucher, MDNR, FMFM; Nora Hughes, Student Resource Scholar, MDNR; Brett Mason, MDNR, FMFM; Larry Pedersen MDNR, FMFM; Warren Suchovsky Landowner; Keith R. Martell III, Martell Forestry Inc.; Andy Henriksen, NRCS; Dale Allen, USDA, FSA; Bill Botti, Michigan Forest Association; Gary Bucklin, Conservation District Foresters; John Van Dyke, Landowner; Tom Barnes, MAT; Tom Stone, MDNR, FMFM; Abby Eaton, MDA; Bill Cook, MSU Extension; Debra Huff, MDNR, FMFM; Steve Kalisz, MDNR

INTRODUCTORY BUSINESS:

Mr. Grossman called the meeting to order at 10:00 am. Introductions were made. Mr. Grossman asked if there were any members interested in the Chair position, as he has held it for a number of years. With no responders, Mr. Grossman indicated that he would be willing to continue serving in this capacity.

DNR UPDATE Cara Boucher, State Forester (45min)

- Budget is bad. Forest stewardship budget for 09 is significantly lower, with a . 100k dollar reduction. Baseline projects will be reduced. Move toward project based accomplishments and project based funding. Lots of projects, little base programs and infrastructure. There is a proposal to merge the US Forest Service eastern region with northeast region with region 9. The Forest Service has changed how they give awards. Apply for grant, letter sent "invitation to apply to potential funding", then you must send ALL documentation as if you had received the award, they will then send you a second letter saying you have the money. They can still take the money back so make sure to tie up the funds or they may be taken away. Things are vary provisional. 2.6 mill dollars of stimulus money to help deal with invasive reduction.
- State issues. The Governor's streamlining project is going from 18 agencies to 8 trying. The Director has pledged that we will be supportive and help them understand what we do. We are going through our baseline statutory requirements to inform them. Two other things are ipending. Bill introduced to move forestry to MDA. Another senate bill is introduced to put DEQ and DNR together. Both bills came out of the Senate. One idea is putting DNR/DEQ/MDA all together. Concern is over how restructuring will fit in with splintering agencies. The objective is to make the state government more nimble. Getting rid of certain strings will cause a loss of money...Things will happen very fast and the DNR is not in a position to provide upfront info or decisions to interest groups.
- We are also under mandatory furlough days, that's having an impact on being available and affecting our priorities and what we can do. Public health and fire are still 24/7 or are on alternate scheduling. There won't be people available for some programs sometimes. Estimated that furlough days might number 26 next year so look out (one per pay period). General fund is in huge trouble. Loss of market revenue are causing problems.

- Conclusion: Severe budget cuts will cause problems and the base infrastructures will be at risk. If merger takes place, it will have large fallout on the way state and private forest activities are run. Grants are very provisional and can be lost so tie up the money once you get it. Because the baseline isn't there, we will be competing with others looking for grants.
 - Action Items: Comment period ends 7/8/09 for the merger.
 - Questions: EAB containment has shifted to a "slow the spread" model, there will continue to be limits/bans on firewood transport between UP and LP. Other invasive combat is happening in conjunction with the Michigan Works crews around the state. Stimulus money will be conducted through normal bidding process. There is a pre-approval process, so contact Deb or Cara and they will route you to the right contact. There are significant oversights (biweekly conversations with a monitor and quarterly site visits). Contractors will be scrutinized.

FSP UPDATE: Huff , FSP Coordinator (30 min)

- Discussion: CFQF update...changes in CF in 2006, legislation passed to make a new formula for withdrawal and recapture tax. We have approval to revise administrative rules with new language (est. 2010). When admin rules are in conflict with statute, the statute prevails. The QFP has about 42000 approved, but there continues to be communication programs with the local assessors. It's a local program and is intended for local townships. DNR is only an administrator. There is discussion to revise the recapture tax. Many do not apply because of the large penalties.
- Accomplishments: Summary of last 9 years (first sheet) starting in 2000, what is paid to plan writers and how much non-federal cost share, acres, # of plans, what was budgeted to give out to plan writers, what was actually given out. In 2008, we estimated 100k and issued 148k but what was actually paid was 121k. The feds are satisfied with how this is progressing.
- Every year there is a Agriculture and Natural Resources (ANR) week at MSU. Good turnout and interest. We held new plan writer training in Feb and March in Gaylord. We continue to partner with the Delta institute with the carbon project. Many landowners have signed up to trade carbon credits on an exchange. It is good for FSP. Partnership program with Tree farm to have land be both FSP and Tree farm acceptable. Checklist is developed that looked at what was needed for both. This has been approved by both parties and is tentatively approved by a state forester. (under Tree farm you are obligated to manage under your plan) There are other states that have already done this. (A new signature page could retroactively make land certified under both Tree farm and FSP) This is an optional page but it says that your management activities will be conducted in a manner fitting Tree farm and FSP. The stewardship plan is voluntary until you put it into a tax act, it makes it mandatory. Issue of what kind of paperwork people sign, so should we add a line to say that if this is for CF, etc. it will be mandatory. The problem with adding this is you are mixing two

programs. The FSP is voluntary, additional programs may cause you to sign affidavits already making things mandatory. Therefore that the opinion is put out that it is not needed on the cover page. Talking with small sawmills, some customers are showing preference to FSC wood. Tree farm approaches FSP and asked to do this. If FSC wanted to do a joint operation, they would have to go through the same channels. (Any problem on horizon with requirements to have union lumber companies? Not likely. The plan is voluntary and the merger is just to align the two most popular cert plan writers) ADDITIONS: add email, consistent spelling

- FORMAL MOTION approve optional signature page? Motion to approve by Warren Seconded by Steve kalisz...Motion passed.
- Update on FS: Funding is cut by 39% and 2010 amount is unknown. States in the NE have also experienced heavy cuts. In MI, it will come out of the amount of grants that we can give...perhaps cut outreach and education grants. Another source of funds are available from Treefarm for outreach and education so keep up communication to keep infrastructure and use TF to help landowners. This money could help fund O&E projects. Look for these new partnerships. The FS money cuts will affect many programs. With dwindling funds, what are priorities (maintain staff). The money has gone about 65% to writing grants in the past. As money has decreased, how will we redistribute this %. When the stewardship program started, there were few opportunities but now there are other groups that can do the same job. Part of new requirements now is to monitor a few plan holders to see if they follow their plans. Balance ideas: Unless there are measurable objectives, go toward more plan writing goals. With limited funds, focus on plan writing. When getting money from new sources, mind what strings are attached. It is critical that we find money from different sources. The direction the committee wants to see is a focus on plan writing while encouraging a commitment to O&E (but it should be measured and evaluated). However we don't have a systematic way of evaluating O&E grants yet. If people that get educated don't take the next step, some models view that as a waste of time. Should you spend money on projects that don't provide longer reaching benefits.
- There is a new competitive grant proposal being written by the DNR. Focus on working with partners to help everyone get their objectives accomplished. Partnerships have stumbled at times but they are going strong. The legacy program is separate from the competitive programs.
- There are new federal guidelines for FSP, 1. every state creates a committee, they want technical committee and tribal reps invited. 2. Statewide assessment and plan, it does replace requirement for a 5 year plan. 3. Landowner requirements, its voluntary. 4. program outreach efforts are a focus. 5 resource elements to consider: aesthetic, archaeological cultural and historical, carbon fire and wetland info. This stuff will likely be put on the checklist. We should be clear what the expectations are...what is required and what is recommended. What do they mean? "Considered" doesn't necessarily mean that there is a large writeup. Deb will clarify and let people know. Other requirement is to monitor the plan

conformance, we already do that. Talk of sharing monitoring info from Treefarm database....it may not pan out. New guidelines being sent out.

- FSP is being reviewed by USFS July 21st - 30th?. Pass along paper.

FOREST LEGACY

- Forest legacy: (subcommittee) in 2007 we have approval for part 5 of northern greatlakes forest project. we also have approval for part 6. We were able to get a lot of land. Partners with nature conservancy and forest land group. 2009 we applied for more money and we were approved. We can now finish the GLFP. 2010 carry thinks the project will not get funding. 2011 nominated for 3 projects, excellent candidates. Further meetings will prioritize the projects. (aug 11th is meeting?). See committee members for more info or Deb.
- Doing conservation easements instead of fee simple. Problem? DNR doesn't back projects that don't allow for public hunting and fishing.
- The criteria for Forest legacy is considered by the committee to be inappropriate for the goals of the forest legacy program. Carrie is putting the committee advice forward to the director.

Lunch

- Larry Pedersen (60 min)
 - See handouts. Farm Bill: comprehensive analysis of forests
 - Elements for Stewardship committee,
- Dale Allen (30 min)
 - BCAP: see handout.
 - Try and encourage markets for biomass (CHST collect on,harvest,storage and transfer)
 - biomass is converted into a dry-equivalent (dollar for dollar up to 45 dollars / ton for up to 2 years)
 - Concern over what the benefit is to the logger/mill/landowner and definitions and timeframes and state land use objective.
 - what is eligible: byproducts of primary grains (20%), and commercial forest waste.?
 - Not eligible: animal and food waste.
 - Contact info: yet to be determined.
 - Woody biomass guidelines being determined
 - Aug 10th is deadline to comment on initial draft.
 - The hope is to spark interest in this potential market.

- Christine White is new director, in theory, interested parties would be in contact with her.
- Conservation reserve program: Possible general sign up to be held next year. Many tree holdings in CRP need thinning, so there will be opportunities. Concern over who to contact (foresters? payment? MOU with USFS).
- Carbon Project (10 min)
 - Notes: The price of carbon is very low. But this program gets people in the door and they can be directed to participate on other forest stewardship programs. Talk to Grossman to get info and slides on the carbon project. The piolet project has been cutting edge and successful. The Chicago climate exchange is going to be evaluated next year.

Intergenerational Transfer

Some programs developed to address the issue of intergenerational land transfer and to encourage them to actively think about the land transfer. Also a video was made to help educate people and "train the trainer" about the topic. First train the trainer workshop will start in September "Family Forest Succession". Objective is to keep as much transferred land forested. Workshop is for anyone (estate or financial planners that deal with this issue on a regular basis.)

INDIVIDUAL PARTNER REPORTS

MAT (Tom Barnes)

Goal is to expand the biomass market. White-cloud is the location of the pilot. Issue in the biomass industry is quality control. Have been very active in DC with the American Loggers Council and John Deer. Trying to keep the industry as competitive as possible. If forestland is classified as a ag land, then QFP will likely drop off. Coop with wood energy company and Michigan Biomass.

Woody Biomass in Michigan

woody biomass harvesting guidelines: a final draft for review went out about 2 weeks ago. We would like the committee to review the guidelines hopefully approved by October. Biomass has been defined as woody material in a forest setting. This is draft 5.

EQIP: Forestry has its own separate "fund code" and it means there is more dedicated funding. Forest landowners are still learning about the services provided by EQIP. Must have FMP prepared. About 16 signed up for the pilot program.

MDA Abby Eaton

Continue budget shrinkage. DEQ might lose its authority to polices. New potential under the Great Lakes Restoration Initiative. This program might meet in battle creek www.epa.gov/glnpo/glri/index.html

MACD

The district has been axed out. Talk is to give districts money based on current working status. (base funding). Forestry projects got cut, no funding.

Nature Conservancy

Nothing

Tree-Farm

2009, goal to add 100 tree-farms reached. Some difficulty getting inspectors and they need more as industry lessens support. Four tree-farm days coming up. Mich Tech training Tree-Farm inspector programs was a success and is still going on. They are hoping to move it to MSU.

ACF

There is a lack of private landowner information in MI. The MI ACF is one of the fastest growing in the nation. The number of stewardship plans has increased. There has been difficulty getting some of the FMPs turned around in a timely manner. ACF wants everyone to know that the public sector on the ground help is not supported. Any program supported by taxpayers money is not supported. It is an "unfair competition"

FMA

"Less than a stellar success" FMA would pay a consultant to visit for 2 hours. So far only 6 people took advantage of this. Annual meeting at Cederville 21 and 22 of august. www.michiganforests.com FMA will sponsor bus tours.

MUCC

non industrial forest council: first ever forestry day at the Capitol. Food and ten or so booths were there. Reception was fairly positive. Info packets were distributed to house and senate members with district specific info. No feedback afterwards. Online survey to service providers will happen later on. Just to get some baseline information for the counties. The survey will be sent out by the end of the month. Deer management advisory committee, meets twice a month and will have draft recommendations later on for the public. Tonight and tomorrow is "hunting in America's" a presentation.

Warren

Policy book by MAT is available

Master loggers (certified) about 20. A couple new applicants and recerts. Mich Master logger program is endorsed by Warner publications. Many companies prefer FSC wood Outside help brought in to see the Michigan template for a chain of custody certification. Dissapointed that Michigan has not put funds into the master logger program.

Katie

Heart of the Lakes Land Center: A statewide umbrella org. for conservancies.

Mich FWS

Meeting where woodcock and young forest initiative topics were discussed. Increased budget in the future from EPA and stimulus money. FWS can help cost share FMP costs.

Conservation Research Alliance

Provide free assistance to landowners and hire out foresters to do plan. Support the woodcock initiative.

The meeting was adjourned at 3:30pm