STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING

RICK SNYDER
GOVERNOR

RODNEY A. STOKES
DIRECTOR

May 10 , 2011

The Honorable Mike Green, Chair
Senate Appropriations Committee
on Natural Resources
805 Farnum Building
P.O. Box 30036
Lansing, Michigan 48909-7536

The Honorable Jon Bumstead, Chair
House Appropriations Subcommittee
on Natural Resources
1289 House Office Building
P.O. Box 30014
Lansing, Michigan 48909-7514

The Honorable Tom Casperson, Chair
Senate Committee on Natural Resources,
Environment and Great Lakes
705 Farnum Building
PO Box 30014
Lansing, Michigan 48909

The Honorable Frank Foster, Chair
House Committee on Natural Resources,
Tourism, and Outdoor Recreation
1486 House Office Building
PO Box 30036
Lansing, Michigan 48909

Dear Senators Green and Casperson and Representatives Bumstead and Foster:

Pursuant to Section 802, PA 189 of 2010, the report of the Department of Natural Resources (DNR) timber treatments, during the second quarter of Fiscal Year 2010-11, is attached.

If you have any questions, please feel free to contact me.

Sincerely,

Sharon M. Schafer

Sharon M. Schafer
Administration Division
Assistant Chief, Finance
517-241-5482

Attachment
cc: Senate Appropriations Subcommittee Members
House Appropriations Subcommittee Members
Senate Committee on Natural Resources, Environment and Great Lakes Members
House Committee on Natural Resources, Tourism, and Outdoor Recreation Members
Mr. Josh Sefton, Senate Fiscal Agency
Ms. Viola Wild, House Fiscal Agency
Mr. John Nixon, State Budget Director, Department of Technology, Management and Budget (DTMB)
Mr. Jacques McNeely, DTMB
Ms. Jennifer Harrison, DTMB
Mr. Rodney A. Stokes, Director
Ms. Kelley D. Smith, Acting Natural Resources Deputy, DNR
Mr. Gary Owen, DNR
Ms. Lynne Boyd, DNR
Mr. Jason Crandall, DNR

Department of Natural Resources
Timber Report
Second Quarter Fiscal Year (FY) 2010-11

Background

Michigan's state forest system was originally certified under both the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) third party forest certification standards in December 2005. Michigan successfully re-certified under both standards in December 2010.

Forest certification protocols require public participation in forest management planning and forest operations. The department's compartment review process has been audited under both the SFI and the FSC standards and has been recognized as a key public participation mechanism that meets requirements for forest certification.

The department's investment in forest certification strengthens Michigan's forest products sector. Certification is essential in order for primary wood producers in Michigan to have continued access to national and international markets.

Second Quarter FY 2010-11 Timber Treatments

State forest planning and activities, including timber treatments, are conducted within the framework of SFI and FSC forest certification principles and standards. Timber treatments in a given year are based on decisions made two years prior to the treatments through the compartment review process.

Timber sale preparation is done by department staff and through timber marking contracts with private consultants. Through the second quarter of FY 2010-11, 4,059 acres of timber sale preparation-marking contracts were awarded. Contracts for an additional 1,729 acres are expected to be in place later in the fiscal year.

For the fiscal year-to-date, the department recorded 8,355 acres of timber sales with an estimated volume of 127,231 cords. Typically, fewer acres are prepared for sale during the first two quarters of the fiscal year than during subsequent quarters due to seasonal management activities.

The percent of sales with no bids during the second quarter was comparable to the previous quarter and dropped slightly from the previous year's average. Of 117 sales offered, 115 sold on their initial offering. The 2% no-bid percentage for the first half of FY 2010-11 can be compared to the whole of FY 2009-10, where 5% of sales received no bids.

FY 2010-11	Total sales offered in the quarter	Offerings with no bids	Percent (%) of sales that were no-bid
1st quarter	127	4	3%
2nd quarter	117	2	2%
Total	**244**	**6**	**2%**