



STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

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May 13, 2010

The Honorable Michelle McManus, Chair  
Senate Appropriations Subcommittee  
on Natural Resources  
S-2 Capitol Building  
P.O. Box 30036  
Lansing, Michigan 48909-7536

The Honorable Michael Lahti, Chair  
House Appropriations Subcommittee  
on Natural Resources  
S-1489 House Office Building  
P.O. Box 30014  
Lansing, Michigan 48909-7514

Dear Senator McManus and Representative Lahti:

Pursuant to Section 1203, PA 118 of 2009, the report of the Department of Natural Resources and Environment's (DNRE) timber treatments, during the second quarter of Fiscal Year 2009-10, is attached.

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

Sincerely,

Sharon M. Schafer, Chief  
Budget and Support Services  
517-373-1750

Attachment

cc: Senate Appropriations Subcommittee Members  
House Appropriations Subcommittee Members  
Mr. Josh Sefton, Senate Fiscal Agency  
Ms. Viola Wild, House Fiscal Agency  
Mr. Robert Emerson, State Budget Director, Department of  
Management and Budget (DMB)  
Mr. Jacques McNeely, DMB  
Ms. Jennifer Harrison, DMB  
Director Rebecca Humphries, DNRE  
Ms. Armina Koch, Deputy Director,  
Resource Management, DNRE  
Mr. Rodney Stokes, DNRE  
Mr. Gary Owen, DNRE  
Ms. Lynne Boyd, DNRE  
Mr. Mark Bouvy, DNRE

**Department of Natural Resources and Environment  
Timber Report  
Second Quarter Fiscal Year (FY) 2009-10**

**Background**

In December 2005, Michigan's state forest system was certified under both the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) third party forest certification protocols. Certification under both protocols is for a five year period, and both certification certificates expire this December, 2010. The Department has initiated the process to proceed with re-certification of the State Forest Program with SFI and FSC.

Forest certification protocols require public participation in forest management planning and forest operations. The Department's compartment review process has been audited by both the SFI and the FSC 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 2009-10 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.

The FY 2009-10 plan of work currently identifies 63,222 acres for timber sale preparation that were approved through the compartment review process. Managers have developed work plans to accomplish 61,770 acres with current resources. Final numbers for the work plans may change slightly.

Timber sale preparation is done by Department staff and through timber marking contracts with private consultants. Through two quarters of FY 2009-10, 6,566 acres of timber sale preparation-marking contracts were awarded. No more marking contracts will be offered this fiscal year.

The Department submitted 7,999 acres of timber sales, with an estimated volume of 131,221 cords, through the second quarter. Typically, fewer acres are prepared for sale during the first half of the fiscal year than during subsequent quarters due to seasonal management activities.

The percent of no bid sales continued to drop in the second quarter. Of 366 sales offered so far in FY 2009-10, 340 sold on their initial offering. This 7% no bid percentage can be compared to the third and fourth quarters of FY 2008-09 when 17% of sales received no bids, and the whole of FY 2008-09, where 14% of sales received no bids.

FY 2009-10	Total sales offered in the quarter	Offerings with no bids	Percent (%) of sales that were no-bid
1 <sup>st</sup> quarter	151	16	11%
2 <sup>nd</sup> quarter	215	10	5%
<b>Total</b>	<b>366</b>	<b>26</b>	<b>7%</b>