



STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

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DIRECTOR

September 3, 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 third quarter of Fiscal Year 2009-10, is attached.

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

Sincerely,

Sharon M. Schafer, Assistant Chief
Finance Division
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
Technology, Management, and Budget (DTMB)
Mr. Jacques McNeely, DTMB
Ms. Jennifer Harrison, DTMB
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
Third 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 were scheduled to expire this December, 2010. These contracts were recently renewed with the same certification parties.

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 of Natural Resources and Environment'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.

Third 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.

Timber sale preparation is done by Department staff and through timber marking contracts with private consultants. Through three 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 18,790 acres of timber sales, with an estimated volume of 290,581 cords, through the third quarter. Typically, fewer acres are prepared for sale during the first three quarters of the fiscal year than during the fourth quarter due to seasonal management activities.

The percent of no bid sales continued to drop in the third quarter. Of 579 sales offered so far in FY 2009-10, 546 sold on their initial offering. This 6% no bid percentage through the third quarter 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, when 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 st quarter	151	16	11%
2 nd quarter	215	10	5%
3 rd quarter	213	7	3%
Total	579	33	6%