



Timber & Forest Products Advisory Council Meeting Minutes

December 9, 2022

Meeting location: Otsego County Public Library, Gaylord

Present for the Timber & Forest Products Advisory Council (TFPAC or council)

Charlie Becker, **Chair**, Lyme Great Lakes Timberlands
Gary Melow, **Vice Chair**, Michigan Biomass
Larry Leefers, Michigan State University
Nick Monkevich, Verso Corporation
Julie Penrose, Holli Forest Products
Glen Mroz, Council member
Tim Biewer, Biewer Lumber

Present for the Michigan Department of Natural Resources (Department or MDNR)

Jeff Stampfly, Chief & State Forester, MDNR, Forest Resources Division (FRD)
David Price, Manager, Forest Planning and Operations Section, MDNR-FRD
Dan Heckman, Forest Management Specialist, MDNR-FRD
Brenda Haskill, Timber Sales & Utilization Forester, MDNR-FRD
Chris Schmiede, Forest Management Specialist, MDNR-FRD
Jagdish Poudel, Forest Economist, MDNR-FRD

Others present:

Donna LaCourt, Michigan Department of Agriculture and Rural Development (MDARD)
Ben Schram, MDARD

Charlie Becker, Chair, welcomed everyone in attendance and called the December 9, 2022 Michigan Timber & Forest Products Council meeting to order at 10:05 am.

Adoption of the March 18, 2022 Timber & Forest Products Advisory Council meeting minutes

Tim Biewer motioned to adopt the March 18, 2022 Timber and Forest Products Advisory Council (TFPAC) meeting minutes as presented; supported by Nick Monkevich. Motion carried unanimously. The March 18, 2022 TFPAC meeting minutes were adopted.

Adoption of the 2023 Timber & Forest Products Advisory Council meeting schedule

Gary Melow motioned to adopt the TFPAC 2023 meeting schedule as presented; supported by Tim Biewer. Motion carried unanimously. The TFPAC 2023 meeting schedule was adopted.

State Forest Management Plan Revision/Modeling Update – Dan Heckman, MDNR

Dan Heckman provided an update on the State Forest Management Plan (SFMP) revision process. Questions from the Council:

1. Is the plan for all the forests including state parks? The parks are separate. The SFMP is only for 3.9 million acres of state forest land.
2. When will public comment/input be requested and taken? March and April will be the timeframe for public input and those opportunities will be announced in early January 2023

Dan noted that the adjusted timeline for the final approved plan to be ready is October 2023.

Pigeon River Carbon Project Update – David Price, MDNR

David Price provided an update on the current carbon project in the Pigeon River Country (PRC) – ‘The Big Wild’. Questions from the Council:

1. What volume are the credits sold as? Metric tons? Cubic meters? Metric tons.
2. Do the estimates of revenue account for inflation? No.
3. How much of the PRC is part of this project? 107,000 acres and 100,000 of that is forest land.
4. What is the buffer pool? 16% of the PRC goes into a buffer pool to be a carbon bank in the event of large-scale loss of forest land such as a wildfire.
5. What happens in 2031 after the first 10 years of the program? New carbon market buyers will be sought and brokered by Anew. The MDNR is locked in with the company Anew, as the brokerage firm for 4 cycles of 10 years each.
6. How many tons of carbon are in a cord of wood? Dan is going to provide that information to the Council.
7. Can harvest be accelerated long term? If the carbon level is maintained, harvest can be adjusted.

Update on the Dashboard – Jagdish Poudel, MDNR

Jagdish Poudel provided an update on the “dashboard” project he’s been working on for the committee.

Questions on the dashboard update:

1. Do the numbers provided in objective 3 reflect inflation? No but inflation adjusts and is reflected in other information.
2. As productivity per employee changes with increased technology, how is that tracked? If a machine is added that replaces 2 employees, the employment numbers drop but production remains steady or increases. Data would show the correlation if that occurred.

Jagdish will share the spreadsheets with the group so they can look at them more in-depth before the March meeting.

2021 Mill Survey results and 2022 Timber Products Output Report – Chris Schmiede, MDNR

Chris Schmiede provided an update on the mill survey data, response rate, and timeline for distribution of the results. The hope is for a draft to be ready for review during the March meeting.

MSU Stumpage Survey Plan and Update – Brenda Haskill, MDNR

Brenda Haskill provided the timeline and basic information about a stumpage price survey that MSU will be doing in 2023. The survey will be distributed widely through the forest products wood producers. The survey is expected to be closed in late spring and draft results in summer 2023.

What’s Happening with Mass Timber in Michigan – Sandra Lupien, Michigan State University

Sandra Lupien from Mass Timber at MSU provided an update on where mass timber construction and use is in the state.

- a. Mass timber use is expected to double every 2 years nationwide.
- b. The newest mass timber manufacturer is near Chicago, Illinois.
- c. Research is happening or will be happening at Michigan State University (MSU), Michigan Technological University (MTU), Henry Ford College, University of Michigan (U of M), Lawrence Technological University, and Northern Michigan University (NMU).

- Hardwood mass timber research at MTU.
 - Adhesive research at MSU along with many other pieces of mass timber manufacturing.
 - Robotic construction technology being researched at U of M.
- d. Many mass timber structures will be constructed in 2023 across the entire State of Michigan.
 - e. Policy work is a large component of the long-term use of mass timber in Michigan. The office of Licensing and Regulatory Affairs (LARA) is a key piece of the process.
 - f. Brenda will circulate the mass timber links from the workshop held on December 2 at MSU.

Questions on mass timber:

1. How many mass timber projects are there in the Midwest? Exact numbers will be provided once *WoodWorks* finishes its survey.
2. What is the role of carbon sequestration in mass timber? Selling carbon credits for a building constructed with mass timber gets messy due to the accounting and the “double dipping” of credits. The credits are assigned as standing trees but cannot be counted a second time as a constructed building.

Jagdish is going to add the mass timber economics and growth to the “dashboard” project.

Michigan Department of Natural Resources Departmental Update – Jeff Stampfly, MDNR

Jeff Stampfly, Forest Resources Division Chief, MDNR, updated the group.

1. There will be a shift of Director Dan Eichinger from MDNR to the Department of Environment, Great Lakes, and Energy (EGLE) as a temporary shift. Shannon Lott will be acting as the MDNR Director in the interim.
2. Hemlock Woolly Adelgid (HWA) has been detected near the Huron Manistee National Forest (HMNF) edge. There currently are no detections on the HMNF, but the DNR will be treating a small portion of the HMNF as it is within the 800-foot treatment range of this new detection.
3. GNA is going to expand into Adopt-a-Forest work.
4. \$1.5 billion will be coming for work in urban forestry.
5. The last out of state fire assignment is finished and all equipment and personnel have returned.

MTFPAC Membership/Leadership – Charlie Becker

The Council discussed the role of its leadership past, present, future. Input from the group:

1. Review the dashboard data quarterly as soon as it’s ready.
2. Question on where the TFPAC should put its focus.
 - a. Add council members from the forest industry.
 - Furniture manufacturing has been tried previously but with no success.
3. How does the current Governor view the TFPAC?
4. Is the Council bringing value to the state?
5. Focus on forest industry job growth.
6. Good relationship between MDNR-FRD and the TFPAC.

MTFPAC Member Updates – Council

Updates from committee members and FRD staff.

1. Tim Biewer: The Lake City mill was shut down due to lack of fiber; there is no long-term plan or vision for the facility yet.
2. Nick Monkevich: Fiber availability is an issue in the U.P.; Billerud wants to burn biomass and they are now procuring biomass again.
3. Julie Penrose: The cost of maintaining production is huge; their new machine cost \$869,000.
4. Donna LaCourt: The outbound mission to Finland will be the week of May 21 and once the agenda is finalized, participants to join will be sought. There will be two tracks for the mission: mass timber and “smart” forestry.

5. Ben Schram: Another 50,000 acres of private land has been enrolled in the Qualified Forest Program with a total of 850,000 acres statewide at the end of 2022.
6. Gary Melow: Asked if it is time for another forest products summit. It has been seven years since the last one. Should there be a task force to address the key or large issues?

Charlie adjourned the December 9 MTFPAC meeting at 2:30 p.m.