



# TIMBER AND FOREST PRODUCTS ADVISORY COUNCIL

Meeting Minutes – October 22, 2021

## Roll Call

### **Present for the Timber and Forest Products Advisory Council (TFPAC or Council)**

Mike McCuiston, Lowe Foundation  
Rich Bowman, the Nature Conservancy  
Charlie Becker (Chair), Lyme Great Lakes Timberlands  
Gary Melow, Michigan Biomass  
Nick Monkevich, Verso Corporation  
Julie Penrose, Holli Forest Products  
Larry Leefers, Michigan State University

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

Brenda Haskill, MDNR  
Jeff Stampfly, MDNR  
David Neumann, MDNR  
David Price, MDNR  
Kim Korbecki, TFPAC Assistant, MDNR  
Dan Heckman, MDNR

### **Others Present**

Bill Rapai

## Meeting Minutes

### **Welcome** – Charlie Becker

Charlie Becker, Chair, called the October 22, 2022 Timber and Forest Products Advisory Council (TFPAC or Council) meeting to order at 10:03 a.m. He welcomed all to the meeting and introductions were made all around.

### **Update on Forest Planning** – Dan Heckman

Dan Heckman, Michigan Department of Natural Resources (MDNR), discussed the updates to the State Forest Management Plan (SFMP). They have been working on SFMP revisions since September of 2019. They formed a few teams to get it accomplished (Modeling, Writing and Engagement Teams). Brenda Haskill is on the Engagement Team; Erin Victory is on the Modeling Team and Dan is on the Writing Team. Charlie Becker and Larry Leefers are serving in an advisory role and providing their expertise.

Points that were covered during the update:

- a. The current State Forest Plan and three Regional State Forest Plans are being rewritten into one plan.
- b. They have contracted with Mason, Bruce & Girard and have purchased Remsoft's Woodstock modeling software to complete the forest modeling. The software will allow them to model specific management areas (MA), such as the Kirtland's Warbler area or the Deer Winter Harvesting Complexes.

- c. They have combined MAs to decrease the overall number from 99 to 35 across the three ecoregions and have done some additional work to define an operational land base, which is considerate of inoperable site conditions.
- d. Timeline:
  - ✓ August 2021 – started working on establishing current conditions;
  - ✓ October 2021 (end of month) – starting work on desire future conditions;
  - ✓ January 2022 – Evaluating different model outputs;
  - ✓ February 2022 – Identifying preferred solutions;
  - ✓ March 2022 – Integrating solutions into the plans; and
  - ✓ Fall 2022 – Presenting first draft of the plan

Discussion followed.

**Presentation on Pigeon River Forest Carbon Project Baseline Report** – David Price /Dan Heckman, MDNR

David Price and Dan Heckman provided an update on the Big Wild Carbon Project.

**Completed work:**

- a. Establishment and measurement of CFI plots (Green Timber Consulting Foresters, Inc., Pelkie, Michigan)
- b. DTE Energy commitment to purchase the first 10-years of carbon offset credits
- c. First draft of carbon model baseline to determine the volume of credits

**Next steps:**

- a. Final carbon model baseline (December 31, 2021)
- b. Third party verification of the model by SCS Global Services (November 2021 thru March 2022)
- c. Offset credit registration and issuance (March - April 2022)
- d. Sale of credits (June 30, 2022)

The MDNR is providing data to Bluesource to establish the carbon baseline model. The baseline will be a conservative scenario where 100% of growth is harvested.

**Discuss What Forest Products Industry is Doing Related to Carbon** – Charlie Becker

Charlie wanted to discuss what folks in the forest industry are doing in relation to carbon. Certain industries are doing this because it's environmentally and socially important to the public.

Charlie's company, Lyme Great Lakes Timberlands, doesn't have a carbon project in Michigan. They have looked at and are exploring things about it. They have a project in Northern Wisconsin and are selling the credits this year. The company has some projects in other locations as well. They keep looking because there's so much interest by certain investors. If there are ways to have both, they'll at least look at it. David Price commented he thinks the forest managers did a process in the Upper Peninsula under the compliance market.

Gary Melow commented that his industry has looked for economic liability and their major concern is when you look at energy resources it's all about zero emissions generation, and they have carbon emissions. They are looking at carbon capture on biomass energy. There's a huge disconnect and he doesn't see a lot of promise there. It doesn't make sense with biomass because they can't do it on a big scale.

## **Review Draft TFPAC Presentation to Natural Resources Deputy Lott – Charlie Becker**

The TFPAC reviewed, discussed, and tweaked a PowerPoint presentation they intend to present to Shannon Lott, Natural Resources Deputy, MDNR. The following information was highlighted in the presentation.

- a. Increase public support – public survey results have shown a favorable trend with respect to support for forest management and the use of forest products. There's a lack of agreement across counties and State of Michigan (State) on the benefits of using forest products. People don't know what to think, but they've been moved a bit closer to finding it beneficial. This needs to get resolved and they need to get the message out.
  - The State needs to continue to develop and utilize forest products reports by county and stress the importance to businesses in urban areas. Recommendations to the State need to be put in writing.
  - Increase sustainable timber supply from forest lands in Michigan.
  - Realities, issues and opportunities – keep levels where they were several years ago.
  - The Council sees the MDNR's harvest modeling effort as important. The TFPAC needs to continue to work with the MDNR to review results and provide input. The industry needs volume projections.
  - Modeling and planning work need to be completed before entering into long-term agreements.
- b. The TFPAC agrees tree planting is important. They need to continue to emphasize the connection between planting and the future markets. Nursery and greenhouse infrastructure have changed – they need to understand it and see if it can sustain additional tree planting efforts.
- c. Increase support for Michigan forest products industries and foster new industries and technologies.
  - It's important the MDNR and others keep lines of communication open and continue to be proactive in dealing with current pulpwood customers.
  - The MDNR should resurrect its statewide red pine analysis and consider doing one on aspen fiber flow. The need for those was replaced with the modeling effort Forest Resources Division (MDNR) undertook. They want to entice other businesses to expand and come to Michigan, or to remain in Michigan
  - The State's administration needs to continue to support pro-business policies and work to ensure state laws and policies don't negatively impact its forest products business. The TFPAC's role is to keep the Legislature informed on forestry and forest products issues.

### **Shared Biomass facts:**

- a. Optimizes the value of Michigan's resources.
- b. There is 200 million in economic activity total.
- c. Beneficial reuse of wood byproducts.
- d. It's renewable;
- e. Provides critical grid support.
- f. Seven Michigan plants generate 184 MW of power.
- g. It's an economic issue – natural gas prices have been going on an upward trend – it has made biomass more competitive.
- h. Infrastructure is gone in the Upper Peninsula. In the Lower Peninsula there are issues with transportation; and
- i. The infrastructure to support biomass is severely depleted or gone and it's still an economic issue.

David Price suggested they tie it together into a recommendation for the need for stability. He will write up a sentence to wrap multiple ideas into one point. He stated the supply issue is a major concern and that's where a feasibility or supply study would be useful. In looking at other states and regions, others have done this with a grant from the federal government.

**Realities, issues and opportunities:**

- a. There's a lot of interest in mass timber across the country, but companies are reluctant to pursue building a mass timber facility in Michigan. The demand for product isn't there yet.
- b. If you build a mass timber building are you likely to use other mass timber to finish off the interior?

**Increase forest products industries' employment in Michigan:**

- a. Labor is tight in the forest products industry. Those skilled trades are coming from people who in part work with them in their industries.
- b. A southern group of State Foresters has it keyed up for people to go into the schools to present on the forest products industry.

**TFPAC key recommendations:**

- a. Continue to fund forest marketing efforts across the state.
- b. Use of forest biomass mill residuals for energy are a low-hanging fruit in the effort to expand the forest biomass economy in Michigan.
- c. Marketing of additional carbon projects on state land should be paused until the MDNR can assess the results of the current pilot project and can better project volume output from State lands across both peninsulas.

The completed presentation should be done next Thursday.

**Discuss Forest Industry Economic Output Dashboard – Larry Leefers**

The Council shared the "TFPAC Goals & Objectives Dashboard". This was put together about one and a half years ago. Much of the work remains to be done. The Council needs to bring it to a close. They reviewed the five goals that were used for objectives:

- a. Increase public support for forest management and use of forest products.
  - Objective: Continue moving MDNR public survey results that show a favorable trend with respect to support for forest management and use of forest products.
- b. Increase sustainable timber supply from forest lands in Michigan.
  - Objective: Maintain MDNR and United States Department of Agriculture (USDA) Forest Service timber sales at or above 2018 levels (3.5 million tons) through 2023.
  - Objective: Increase lands enrolled or participating in private forest lands programs to 4 million acres by 2023.
  - Objective: Through shared stewardship, increase Good Neighbor Authority (GNA) sales administered by the MDNR to 10,000 acres by 2023.
- c. Increase support for Michigan forest products industries and foster new industries and technologies.
  - Objective: Increase economic contributions for the forest products industries to \$23 billion by 2023.
  - Objective: Promote five (5) new projects per year.
- d. Develop and improve domestic and export markets and improve marketing for Michigan's wood-based products.
  - Objective: Increase international value-added exports of forest products and paper to \$615 million by 2023.
- e. Increase forest products industries' employment in Michigan.
  - Objective: Increase forest products employment to 46,000 by 2023.

When they put together the dashboard, they wanted to take it off TFPAC's shoulders and give it to someone more productive. They sent it to David Neumann and Jagdish Poudel, both from the MDNR. Information will be available online. They will not publish the report as it will be ongoing.

They will update the data prior to the TFPAC's March 2022 meeting (the spreadsheet will be ready, and something will be available online).

#### **MDNR Departmental Update – Jeff Stampfly**

- a. They are close to finalizing the 2021 timber sale prep information. They are sitting at 50,000 acres prepared from the state forests, and Good Neighbor Authority (GNA) is at 6,500 acres.
- b. Fires are still occurring out west and the MDNR still has resources assigned there. They have had staff on out of state fire assignments since June.
- c. Mr. Stampfly just attended the National Association of State Foresters meeting in Pittsburgh. It was a hybrid meeting and about 30 State Foresters were there in person.
- d. The Northeast-Midwest State Foresters Alliance meeting is in two weeks in Minneapolis.
- e. Great Lakes Restoration Initiative (GLRI) funding – 48 projects are funded for \$5.5 million, with 16 projects in Michigan for \$1.6 million.
- f. There is a lot of interest in Michigan's carbon projects from other states.
- g. They are working on a road infrastructure inventory, utilizing a contractor and MDNR staff. This involves inspecting water crossing structures (bridges and culverts). Once completed, they'll use that information to prioritize maintenance work.
- h. The GNA program is an important component of the MDNR's timber sale program. Leslie Auriemmo, Huron-Manistee, reported they sold 86 million board feet. Their allowable harvest is 100 million board feet, and this would not be possible without their partnership with the MDNR and GNA. Because of the way the accounting works, the MDNR was listed number 5 nationally in producers.

It was asked how revenues were doing the last fiscal year during Covid. Jeff Stampfly, Chief and State Forester, Forest Resources Division, MDNR, responded that it's hard to compare in fiscal year 20 because the staff were unable to work in the field for 8 weeks. Fiscal year 21 was closer to normal operations and revenues were down. Forest timber sale revenues were around \$1 million. The revenue projections will be coming up sometime in November.

#### **TFPAC Business**

##### **Adoption of TFPAC 2022 Meeting Schedule – Charlie Becker**

A motion was made by Gary Melow to approve the TFPAC meeting schedule for 2022, supported by Nick Monkevich. All were in favor and the TFPAC 2022 meeting schedule was passed unanimously.

Charlie Becker adjourned the October 22, 2021 TFPAC meeting at 2:09 p.m.