2018 Timber Sale Update
For 2018, the DNR’s Forest Resources Division is planning to prepare about 60,000 acres of timber sales, a figure similar to the 2017 harvest. In volume, this will be roughly 1.1 million cords. In addition, FRD plans to prepare about 3,640 acres through the Good Neighbor Authority (GNA) on U.S. Forest Service land. This is an increase from 1,600 acres sold through GNA in 2017. GNA timber sales should produce about 45,000 cords of timber.

Late in March 2018, many forest industry representatives gathered in St. Ignace to discuss timber sale specifications that restrict operations on state forest land. Suggestions were gathered from that discussion which have been compiled. DNR program staff are reviewing and looking at opportunities to mitigate restrictions, while protecting the resource where possible.

More timber from National Forests
Through the Good Neighbor Authority (GNA) agreement, the DNR expects an approximate 100 percent increase in acres prepared for 2018 GNA timber sales as compared to 2017. 3,639 acres are planned for 2018, with 1,336 acres planned in the Huron-Manistee National Forest, 1,455 acres in the Ottawa National Forest, and 848 acres in the Hiawatha National Forest. The DNR is working with each national forest to identify 2019 GNA projects, with work predicted to be around 6,000 acres.

Market brief - from Hardwood Review
May 17, 2018 - Sawmills reported that production was increasing, and many have increased operating hours. Better weather has allowed increased logging, and most mills are working to take full advantage of good markets and higher prices being paid for lumber. A big question for many continues to be the potential impact of the Chinese ban on hardwood logs not fumigated in the U.S. The situation will most likely be resolved within the next 60 days; either by China allowing treatment at Asian ports or by buyers paying the added costs of fumigation in the U.S. More info at www.hardwoodreview.com.
US hardwood exports to southeast Asia and China remain healthy amid trade dispute

Source: American Hardwood Export Council Southeast Asia & Greater China April 2018 Newsletter

Despite concern about the trade dispute between U.S. and China, hardwood exports to Greater China (China, Hong Kong and Taiwan) showed healthy 11 percent year-over-year growth in the first two months of 2018, to $357 million. Hardwood exports to Southeast Asia and Greater China cooled down in the first month of 2018 but bounced back in February 2018. In this two-month period, export value to those two markets was $408 million, an increase of 9.3 percent compared to the first two months of 2017, and accounting for nearly 62 percent of all global exports. The Greater China market increased 11 percent to $357 million (year-over-year) and was the highest value among the same period in the past five years. Southeast Asia markets decreased slightly, down 1.7 percent to $50.9 million as compared to the same period the previous year.

Export value of hardwood lumber to Greater China increased 5.1 percent to $246 million year over year. The log demand was still strong, resulting in the export value of hardwood logs to Greater China jumping 30.6 percent to $108 million year over year. Hardwood veneer continued to fall, dropping 30.9 percent to $0.92 million.

Future of Michigan Registered Forester Program

In 2014, the state Legislature placed a bill before the governor to dissolve the Michigan Registered Forester program. Thanks to some skilled work by many passionate foresters, the governor vetoed the bill and issued a directive that the group and the DNR come together, secure the future of the program and find a new home for it outside of the Michigan Department of Licensing and Regulatory Affairs (LARA). Since the program is voluntary, it needed a more appropriate base of operations. In April 2018, Gov. Rick Snyder signed PA116 into law, officially keeping the Registered Forester program in Michigan for the foreseeable future. The four year restructuring process involved a complete program overhaul, including: re-creation of a Michigan Board of Foresters to oversee its operations; continuing education credits for all participants; a moderate fee increase to cover marketing; and placing the operation of the program within the DNR Forest Resources Division. Beginning July 25, 2018, the program will make its full shift from LARA to the DNR, and efforts already have started by professional forestry groups to fill seats on the Board of Foresters. All current participants of the program are urged to renew their program fees with LARA as invoiced and surplus program funds will transfer between the two divisions after July 25th. Questions on the current and future Registered Forester program can be emailed to Brenda Haskill at haskillb@michigan.gov.

Industry events:

July 1 - Dec. 31
SFE classes through the Michigan SFI network
www.sfimi.org

July 25 - 26
Lake States Lumber Association Summer Golf Outing
Wisconsin Dells, WI
www.lsla.com

Aug. 6 - 9
Dry Kiln Workshop - NTC
Wood Technology Center of Excellence
Antigo, WI
www.ntc.edu

Aug. 20 - 23
USBI BioChar Conference
Wilmington, DE
biochar2018.meetinghand.com

Aug. 22 - 25
International Woodworking Fair
Atlanta, GA
www.iwfatlanta.com

Aug. 30
9 a.m. - 5 p.m.
Heterobasidion Root Disease treatment training for state timber sales
LMAS Health Dept.
Newberry, MI
Free; registration required.
Call 517-284-5903. SFE credits.

Sept. 6 - 8
North American Wholesale Lumber Association "Fall Wood Basics Course"
Corvallis, OR
www.nawla.org
Get the latest on forest health
The Michigan DNR's forest health professionals work with other state and federal agencies and universities to prevent, evaluate and manage the occurrence and impact of native and exotic forest insects and diseases. You can find the just-released 2017 edition of the DNR's “Forest Health Highlights” at www.michigan.gov/foresthealth.

Forest Industry Spotlight: Grand Traverse Pallet - Ellsworth, MI
Rebuilding from a fire that consumed the entire mill building and its contents in July 2016, Grand Traverse Pallet planned to be fully operational in June, according to Mike Rottman, president and owner. After purchasing the mill in 2003 from the Drenth Brothers, Grand Traverse Pallet made significant upgrades in 2006, 2009, and 2012 until the massive fire in 2016. The rebuild has allowed the business to grow from 20,000 square feet to 34,000 square feet and will more than double its output of pallet stock once fully operational.

With upgrades and new machinery, the mill will produce pallet stock for its own demands and potential sales to other pallet companies. It will also explore the rail tie market. Improvements are also giving the firm the opportunity to produce clean, debarked, and properly sized wood chips for various local markets. Additional investments include a concrete building to store sawdust and chips and purchase of a log truck in February to haul logs to their own yard.

Rottman said the rebuild proved challenging for all employees but especially the management team, with everyone taking on new responsibilities including insurance work, contractor supervision, equipment selection, installation projects, and more. Through the rebuild process Grand Traverse Pallet never missed a shipment, thanks to loyal friends in the industry. With pallet markets running at high demand, the firm is poised to start the summer on a successful note.

GT Pallet installation technician and machine operator Jason Brookins stands at the new outfeed side of the Cooper Scragg Mill.
Free feasibility studies for efficiency
The Michigan DNR Utilization and Marketing program offers free feasibility studies in two key areas to assist mills and manufactures with their bottom lines.

Sawmill efficiency evaluations
Through the Michigan Wood Innovation Team, the DNR can facilitate free sawmill efficiency evaluations for Michigan mills, with funding from the USDA Forest Service. The team can conduct efficiency and productivity studies to assess machine center accuracy, lumber recovery from mill-specific log grades, identify where yield losses are occurring, estimate profitability of processing different log grades and evaluate other issues that affect mill efficiency and profitability. Staff can also conduct studies to help mills to reduce waste and improve overall process efficiency. Evaluations can be tailored to the needs of the company. Consultations and evaluation results are confidential. For more information, contact Dave Neumann, neumannd@michigan.gov or Brenda Haskill, haskillb@michigan.gov at the DNR, or Don Peterson with MWIT/Renewable Resource Solutions at don@renewableresourcesolutions.com.

Wood energy feasibility study
There is still time to schedule a free wood energy feasibility analysis with partners at the USDA Forest Service and MDARD. Through a USDA Forest Service grant, a team of engineers and state staff can meet with mills and manufacturers to evaluate options for using mill residues to produce heat and power. The engineers are part of the USDA Forest Service Wood Energy Technical Assistance Team that specializes in wood-fired boilers for combined heat and power as well as process heat generation for space heating and dry kiln operation. The visiting engineers will evaluate the company’s current and future heat and power needs, utility costs, residue production and market value and objectives. End products include a report summarizing the recommended capital and equipment investments, the amount that could be saved annually using a wood-fired system and a simple payback period for the cost/value scenarios evaluated. Companies that are interested in exploring whether a woodfired heat or energy system would be a good fit for them can contact Dave Neumann at neumannd@michigan.gov or 517-284-5887.

Got biomass to sell?
Are you seeking outlets for selling mill residues this year? Check out the updated Midwest Biomass Exchange website at www.mbioex.com – a free internet marketplace designed to help buyers and sellers of woody and agricultural biomass get connected. Users can place “For Sale” and “Wanted” ads for biomass that can be used as fuel for heating and power generation, or as feedstock for other manufacturing processes. The website includes a mapping utility that shows the rough location of buyers and sellers, and provides an email utility that helps protect users from spam.

The site is hosted by Heating the Midwest, Inc., a non-profit organization dedicated to promoting the use of woody and agricultural biomass for thermal energy and power. Updated from the old Minneapolis Biomass Exchange, the new site focuses more closely on biomass that can be used for fuel, and on serving the Midwestern area in the U.S. and Canada. Website revisions were supported by funds from the USDA Forest Service Forest Products Marketing Unit, and by partners including Heating the Midwest, the Agricultural Utilization Research Institute, the Michigan DNR, the Wisconsin DNR, and the Minnesota DNR. Michigan DNR staff supported the revisions and ongoing administration of the site to help enhance markets for sawmill and timber harvest residues, and markets for other value-added products. For more information about the site, see www.mbioex.com or contact Dave Neumann at neumannd@michigan.gov.

Grant Opportunities
Wood Innovations Grants funding supports traditional wood utilization projects, expands wood energy markets, and promotes the use of wood as a construction material in commercial buildings. The deadline for grant applications is typically in January. Learn more from the U.S. Forest Service website.
Michigan trades programs on the rise

The Michigan Career and Technology Institute (MCTI) is the second largest state-run, comprehensive vocational rehabilitation training center in the United States, and it is an impressive facility, providing training for 14 trades. The Cabinetmaking & Millwork program has been putting competent workers into the industry since the school began as the Veterans’ Vocational School in 1944. Industry partnerships with major machinery manufacturers and software providers combine to make the program one of the most technically advanced in North America. Graduates are highly sought after as evidenced by the program’s near 100 percent placement rate. Students with a disability can attend MCTI at no cost and generally leave with a career and no college debt. For those not qualifying for free tuition, financial aid is available and tuition is reasonably priced.

For more information visit www.michigan.gov/mcti or call toll free 877-901-7360.

Host an event to inspire wood manufacturing students

Are you challenged with finding skilled workers, or concerned about the future of the skilled workforce? Students need to learn about the great wood industry career opportunities that are currently available! Manufacturing Day, stylized as “MFG Day”, is a great opportunity for you to host a plant tour to introduce students and educators to your company and our industry. According to a recent study, 84 percent of students who attend a company tour or open house are more convinced that manufacturing provides careers that are interesting and rewarding, and 64 percent of students are more motivated to pursue a career in manufacturing.

Introduced in 2012 by the National Association of Manufacturers, Manufacturing Day is officially the first Friday in October (that’s Oct. 5 this year). The MFG Day website has a searchable database of events taking place across the U.S. and Canada, including your event if you register it on the site! This database allows schools to find events taking place in their areas. The website also has great tools and resources to help you plan your event. Some companies offer a traditional plant tour; others incorporate a vendor expo or job fair; others provide a presentation about industry or company career opportunities. You can customize your event based on your company’s size and resources.

Several Michigan companies including Weyerhaeuser, Stiles Machinery, JB Cutting, and Great Lakes Woodworking hosted events last year, and even more plan to host events this year. If you would like to learn more about how to host an event, a 60-minute webinar and other resources can be found at www.woodindustryed.org. To register your MFG Day event, go to www.MFGDay.com. If you have questions you can contact Adria Salvatore, the education director at the Association of Woodworking and Furnishing Suppliers, at adria@awfs.org or (323) 215-0311.

For more information regarding the DNR’s Forest Utilization and Marketing Program, please contact Brenda Haskill at haskillb@michigan.gov or David Neumann at neumannd@michigan.gov.