

**Department of Natural Resources
Timber Report
Fourth Quarter Fiscal Year (FY) 2011-12**

Background

Michigan's state forest system was originally certified under both the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) third-party forest certification standards in December 2005. Michigan successfully re-certified under both standards in December 2010.

Forest certification protocols require public participation in forest management planning and forest operations. The Department of Natural Resources (Department) 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.

Fourth Quarter FY 2011-12 Timber Treatments

State forest planning and activities, including timber treatments, are conducted within the framework of SFI and FSC forest certification principles and standards, which take into consideration wildlife habitat and recreation uses.

Each year, timber harvest treatments are prescribed for both softwood (coniferous) and hardwood (deciduous) tree species. Although hardwood and softwood trees often grow together, forest stands are typically coded by the predominant tree species present. The table below reports hardwood¹ forest stands prescribed for treatment by Year of Entry (YOE).

Year of Entry (YOE)	Hardwood acres prescribed
2008	41,144
2009	34,986
2010	32,630
2011	30,962
2012	37,890

The FY 2011-12 plan of work identified 59,214 acres approved through the compartment review process which could be available for timber sale preparation. Resources were allocated for all of these acres. However, the Duck Lake fire and resulting timber salvage effort redirected timber sale preparation. Approximately 54,000 cords were sold on 9,774 acres of the fire area. Including the Duck Lake salvage acres, the total number of inventory acres accomplished was approximately 61,800 acres. Acres not accomplished due to the salvage effort will be carried over to the next fiscal year.

¹ Hardwood cover types include aspen, birch, mixed northern hardwoods, oak, swamp hardwoods, and lowland poplar.

Timber sale marking contracts were awarded in the first three quarters of FY 2011-12 for a total of 7,856 acres. In FY 2011-12 the Department submitted 56,609 acres for timber sale auction from the state forest system, with an estimated volume of 773,400 cords. A total of 63,234 acres were sold in FY 2011-12, with an estimated volume of 843,000 cords.

Changes made to the appraisal and no-bid processes developed in FY 2006-07 have continued to help the Department be responsive to market conditions. The percentage of sales not receiving bids was about 5%. This is a significant drop from a high of 24% of sales not receiving bids in FY 2006-07, but this is up slightly from the 3% no-bid rate for FY 2010-11. The table below summarizes the number and percentage of sale offerings with no bids for FY 2011-12.

No-Bid Summary:

FY 2011-12	Total sales offered in the quarter ²	Offerings with no bids ³	Percent (%) of sales that were no-bid
1 st quarter	124	2	2%
2 nd quarter	167	8	5%
3 rd quarter	210	8	4%
4 th quarter	170	16	9%
Total	671	34	5%

² Includes sales that have been modified and re-offered.

³ Includes sales that were no-bid more than once.