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Legal Authority: MCL 211.7jj[1] (General Provisions), MCL 211.1033 (Recapture Tax Imposition), MCL 211.1034 (Recapture Tax Rate), MCL 324.51305 (Private Forestland Enhancement Fund), MCL 324.51306 (Qualified Foresters), MCL 380.1211 (Exemption of Qualified Forest Property)

Description of the Program:

- In 2013, the Qualified Forest Program was transferred from the Michigan Department of Natural Resources to the Michigan Department of Agriculture and Rural Development.
- Through the QFP, private forestland property owners are encouraged to manage their forest and to harvest timber in a sustainable fashion based on a forest management plan prepared by a qualified forester.
- For a parcel to qualify for the program the minimum parcel size must be 20 acres and the maximum size must not exceed 640 acres. Parcels between 20 and 39.9 acres must be at least 80 percent stocked with forest. Parcels between 40 and 640 acres must be at least 50 percent stocked with forest.
- If an application is approved for enrollment, the landowner executes and records an affidavit attesting that they will keep the land in forest and manage the forest based on the forest management plan.
- Land approved to be enrolled is exempt from school operating taxes, typically 18 mills, and when sold, the new owner may keep the taxable value capped on the property.



Why it Matters:

- More than 10 million acres of forested land in Michigan is owned by “non-industrial” private landowners. These lands are currently harvested at 1/3 the rate of forest growth. Consequently, millions of dollars of timber that could be harvested is going unutilized.
- This program improves both our natural resource base and strengthens Michigan’s economy. We currently estimate that this program will stimulate over 900 additional forest related jobs, \$195 million in business revenue, and \$44 million in labor income. In addition, a number of private foresters have increased their staff for writing forest management plans because of interest in QFP.

Key Stakeholders:

- Private forestland owners
- Forest plan writers
- Commercial foresters
- Conservation district foresters
- Forest products industry

Key Deliverables:

- Improved timber, wildlife, and recreational values
- Provide property tax incentives
- Stimulate economic development
- Attract wood products businesses through higher quality timber and forest inventory information

2015 Accomplishments:

- 81,875 new acres were enrolled, bringing total participation to 299,099 acres.
- Through implementation of revised data entry and notification procedures, QFP staff is better equipped to track upcoming forest practices as called for in forest management plans, and to notify those participants via letter when the practice is required. Updated forms allow for reporting and updating associated practice information in the QFP database once the forest practice is completed or amended.
- QFP staff assisted in the legislative process and passage of Public Act 107 (2015). The new legislation allows for a combination of agricultural use property and forest use property for enrollment in the QFP. The law affords landowners an opportunity to enroll property in QFP that would not have previously met the usage/stocking density requirements for either Qualified Agricultural Property or Qualified Forest Property.
- On September 14, 2015, ARAUCO North America announced the construction of the largest continuous particleboard press in North America, near Grayling. The value of the investment in the plant is \$325 million and the plant will create 250 direct permanent jobs. The plant will be completed in 2018. This facility will use pulp wood primarily from privately owned forest property. The QFP was able to provide statistical information regarding enrollment in the program and the availability of pulp wood from Northern Lower Michigan. This information was instrumental in attracting ARAUCO to Michigan.

Measuring Success:

Metric	2013	2014	2015
Applications submitted	326	637	702
Forest management plans received	320	669	647
Qualified forest affidavits recorded	2,049	726	674
Acres from Qualified Ag/Forest Combo (PA 107, 2015)	N/A-	N/A	156
Acres from DNR Private Forest Program	94,477	100	201
Acres from DNR Commercial Forest Program	1,839	8,557	8,191
New acreage enrolled for year	49,581	73,065	81,875
Total cumulative acres enrolled	144,158	217,223	299,099
Progress toward 1.2 million acre enrollment cap	12%	18%	25%
Harvested wood products (cords)	2,403	26,050	55,543
Harvested wood products (tons)	2,744	15,096	38,451
Harvested wood products (1,000 board feet)	168	1,372	3,390
Harvested timber value (\$)	\$174,629	\$1,115,344	\$3,198,254
Revenue received from 2 mill fee	N/A	\$63,892	\$146,428

Dashboards and Scorecards:

The QFP did not have an item on the departmental scorecard for 2015. Staff is working with MDARD's Director of Strategy and Business Performance to design measures toward this end.

2016 Program Goals:

- Enroll an additional 100,000 acres in the QFP.
- Complete work with LKF Marketing toward the development of a plan to raise awareness of the benefits of enrollment in QFP with private landowners in Michigan.
- Continue to streamline business process through lean process improvements.