

## MICHIGAN'S FOREST INDUSTRY

The forest industry has a long history in Michigan, beginning with the logging of the virgin timber stands in the later part of the 19<sup>th</sup> century. In much of the northern areas of the state, where soils were thinner, the history after logging had many bleak moments – logged off, burned over, farmed out, tax reverted. Combined with troubled economics, many of these lands became the permanent public holdings that are now part of our state and federal forest systems.

Fortunately, time has healed many of the old wounds. Areas once devoid of vegetation have now recovered, and in many places, beautiful forests and productive timberlands exist where a century ago there remained only burned stumps. This asset has multiple values that help make Michigan a great place to live and visit. In order to understand the magnitude of this growing resource, it is helpful to examine some numbers. It is important to note that these are constantly changing numbers and are figured in different years by different agencies and institutions. Consider these figures nominal, not absolute. It is also important to note that there can be a distinction between forests or forestland and timberland. Timberland is defined as “forests capable of growing trees at 20 cubic feet per acre per year and not reserved from harvest.”

The total forestland in Michigan is over 19.7 million acres with approximately 19.3 million acres of timberland. The forestland ownership breakdown is as follows:

Corporate	3.2 million (wood processors, timber mgt. org., real estate investment trust)
State/Local	4.5 million (state forest, school districts, county forests, etc.)
Federal	3 million (forestland and parks)
Family	9 million (generally smaller holdings, farm woodlots, recreational land)

Because timber growth and harvest is the primary reason for corporate ownership, a greater portion of their forestland is considered timberland. State and federal lands have a lower proportion of timber and a much higher percentage of land that is either incapable of growing timber (i.e., marshes, dunes, rock) or growing timber, but precluded from harvest (parks, campgrounds, wilderness areas).

Measuring forest growth has become increasingly sophisticated as the technology to do it has advanced. Harvested forest products are typically measured in cords, board footage, and tons; but, forest growth is measured in basal area or cubic feet. The U.S. Forest Service routinely conducts a Forest Inventory and Analysis (FIA) that includes growth, mortality, and harvest. Statewide numbers are collected and then efforts are made to break those statistics down further into regions and ownership. Almost always, Michigan is divided into western Upper Peninsula (UP), eastern UP, northern Lower Peninsula (LP), and southern LP. Below are some figures in cubic feet from 2009 for growth, mortality, and harvest.

WUP 123,430,365 - 73,501,778 - 88,675,246      EUP 110,770,497 - 56,350,531 - 66,916,672  
NLP 295,757,183 - 78,264,203 - 112,305,433      SLP 168,418,802 - 63,672,416 - 43,306,183  
Statewide 698,376,846 - 271,788,928 - 311,203,534

Statewide:

The highest growth:mortality ratio is in non-industrial private forests (NIPF), lowest is state/local

The highest growth:harvest ratio is federal, lowest is corporate

The highest mortality:harvest ratio is federal, lowest is corporate

Growth clearly exceeds harvest in all regions of the state. In total volume, most of this is occurring on private land. Establishing management practices on NIPF is an identified problem of nearly a national scale. But, the issue before the Commission concerning the under harvest in national forests is also borne out by the FIA. Growth far exceeds the combined total of mortality and harvest on federal land. It is useful to understand this on a statewide basis in terms of potential policy changes; however, caution should be exercised when discussing its impact on individual producers and local economies. The housing collapse and the consolidations, closings, bankruptcies, and accompanying globalization in the paper industry have had far greater and wider ranging consequences. Still, the unfortunate outcomes of underutilization need remedy.

On the federal level, the National Environmental Policy Act (NEPA) and the National Forest Management Act are the principal laws governing these national forests. In the minds of most forest professionals, the Acts in themselves are probably useful and necessary, but the cumulative effect of resulting compliance litigation has led to bureaucratic overreaction and near paralysis when it comes to federal timber harvest. Each National forest has a plan that is developed for multiple years from multiple inputs to address multiple uses. "Allowable Sales Quantities" are established in these plans, but many feel that the harvest goal is low to begin with and rarely met in both timeliness and quantity. The resulting impacts in forest health and wildfire in the American west have attracted most of the media attention; however, the impacts of underutilization of the timber resource on our own communities should not be ignored. Proper use of natural resources by land based industries is a key component of Rural Development. The unsnarling of this problem may be "more complicated than brain surgery" and clearly needs to be facilitated at a high political level.