

Missouri Forest Resources Advisory Council (MoFRAC) May 22, 2008 Meeting Minutes

Dr. Gene Garrett, Chair, called the meeting to order at 1:00 p.m. at the Conservation Department Auditorium. All present were provided a copy of the meeting agenda and the draft minutes from the January 24, 2008 meeting for review. All persons present introduced themselves and identified the organization each represented. A sign-up sheet was sent around the room and a quorum was determined to be present.

Approval of Minutes from January 24, 2008 Meeting

Dr. Becker requested three amendments to clarify and correct sections of the draft minutes. The Council approved these amendment requests and approved the minutes as amended. The edited and approved minutes will be posted to the MoFRAC web page.

MDC Forestry Division Update

Lisa Allen, State Forester, introduced Mr. Gus Raecker, a Resource Forester who will be working on a special detail leading the department effort in developing a Missouri Forest Resource Assessment and Action Plan. MDC receives about one half of its operating budget from the Forest Service (USFS) State and Private Forestry program. Beginning in 2010 USFS will require states to have such plans approved and in place as a condition of receiving these funds. Such a plan will also be required under provisions in the 2008 Farm Bill. Mr. Raecker will be on this detail and removed from other competing activities for one to two years. Development of the plan should lead to a greater level of public communication about forestry throughout Missouri.

Ms. Allen explained that Forestry Division would be using a four-legged approach for its strategy to promote healthy and sustainable forests in Missouri. Budgets and actions will be considered within the areas of Public Awareness of Forestry; Forest Sustainability; Landowner Assistance; and Markets, be they for carbon credits, environmental benefits, forest products or other kinds.

A second special detail position in the Forestry Division has been assigned to Ms. Susan Troxell-Dewitt. MDC will be seeking to enroll its approximately 500,000 acres of forest lands in the Forest Sustainability Initiative (FSI) and Forest Sustainability Council (FSC) programs. This work will also be a full-time effort and will require the identification of proper actions needing to be taken, and obstacles to be overcome in achieving these certifications.

The third special detail position is being filled by Mr. Stuart Miller who will be assigned the tasks of developing initiatives designed to encourage and assist private forestland owners in managing their forest sustainably including potential revision of the State Forestry Law. Mr. Miller is from the MDC Policy Coordination Unit, is a forester and has background as a soil scientist as well.

Ms. Allen also told the Council that Forestry Division is pursuing the following activities. Efforts continue to improve public awareness of forestry issues. Part of this effort will be

funded under a federal grant to implement the “Call Before You Cut” campaign that encourages landowners to seek the help of a professional forester before harvesting their timber. Justine Gartner and Steve Westin are working on efforts to better reach urban fringe woodland owners with less than 40 acres of woodland. The Conservation Commission is doubling the amount of funds going towards the community Tree Resource Improvement and Maintenance (TRIM) program, in part to assist in dealing with damage from this past winter’s ice damage. The “Fire Wise Communities” program is working to help communities prepare to avoid and deal with potentially catastrophic wild fires. The initial emphasis areas in this program are southwest and south central Missouri.

Jump-Start Grant Update

Mr. Sam Orr explained that a series of two meetings has been held at three locations in the southeast Ozarks to educate local thought and business leaders as to the potential available to their areas for developing woody biomass-based businesses. Cuba, Fredericktown and Thayer were selected based upon the high levels of woody biomass available in their immediate areas. At this time interest has been expressed to look further into a project in each area. In Thayer the group will consider a wood-fired furnace system for the Mountain View school district. The Cuba meeting led to interest from the City of Herman to consider developing a 15 megawatt (MW) electric power plant. And, Missouri Tie and Timber in the Fredericktown area is already investigating a variety of options, from wood pellets to alcohol production to enhance the value of their mill residues. Mr. Paul Strong, USFS, suggested these projects consider applying for future USFS woody biomass funding.

Dr. Garrett reported that he had been approached by two groups regarding bioenergy projects during the past month, and that this was very hush-hush. Dr. Becker questioned how MoFRAC members could judge when the line had been crossed between requested confidentiality for such projects and the need for the membership to be informed about projects significantly impacting forest resources in Missouri. Mr. Terry Maglich noted that requests for confidentiality in economic development projects were typically honored because other states were competing for such projects. Dr. Becker responded that the circumstances were different for Dr. Garrett, who is an officer of MoFRAC.

MFPA Update

Ms. Tammy Homfeldt provided all attendees a copy of the summary of Senate Bill (SB) 931 that contained two agriculture incentive sections of importance to Missouri forestry. Section 142.028 – Qualified Biomass for Fuel Ethanol, defines woody biomass as a feedstock that will be eligible for earning ethanol producer grant payments. Only two biomass-to-ethanol plants may receive this incentive, and the incentive amount for each plant is capped at \$7.5 million. Section 144.053 clarifies that vehicles and equipment, including parts, supplies and fuel, used to plant, harvest, process or transport forestry products shall be exempt from state and local sales taxes, similar to other farm machinery.

Also, the Missouri Department of Agriculture received a budget allocation of \$220,000 to fund ethanol feasibility studies that will investigate the cost of extracting woody biomass as an ethanol feedstock. Dr. Garrett and Mr. Brookshire have been doing preliminary work to organize an appropriate group to assist in this study. Dr. Francisco Aguilar, a forest economist at the University of Missouri-Columbia (UMC), and Mr. John Tuttle, MDC Forestry Field Program Supervisor, will be included in this group. Mr. Paul Strong, USFS, added that another, related study will begin in the Poplar Bluff Ranger District in the Mark Twain National Forest in June. This study, in conjunction with UMC and Auburn University will use a variety of harvesting machinery to compare the economic and environmental effectiveness of these various techniques. Once sufficient data is available some field days will be held to share the information gathered. Dr. Garrett pointed out that this Auburn study is building on previous work conducted jointly by the Eastern Ozark Forestry Council and MDC.

Missouri Community Forestry Council (MCFC)

Mr. Josh Behounek reported that the Council held their 2008 conference in St. Joseph, and that the next conference will be in Columbia, March 17-19, 2009. He expressed the Council's appreciation of the doubling of TRIM grant funds through MDC for help with ice damage recovery. MCFC has developed a new display for use at conferences and information events and invited other MoFRAC members to use it at appropriate events. Tree City USA meetings were held in Columbia and St. Louis this year and approximately 70 Missouri cities are active in this program.

Discussion of Need for a Missouri Woodland Owners Association (MWOA)

Dr. Becker noted that activities broadly affecting the forestry community should be brought to MoFRAC for discussion prior to their implementation. He therefore requested that MoFRAC consider developing a white paper regarding the proposed development of a Missouri Woodland Owners Association (MWOA) to address issues including: Impact of a MWOA on existing forest landowner groups; value of affiliation with the National Woodland Owners Association; Implementing ATFS group certification through MWOA; and transferring the Missouri Tree Farm Program to MWOA.

Dr. Garrett distributed copies of two emails he received from Dr. Hank Stelzer, State Extension Forester, regarding work Dr. Stelzer had already begun in investigating this issue. After some discussion among Council members Mr. Scott Brundage made a motion and Mr. Paul Strong seconded that motion, that MoFRAC form a committee to explore issues and develop a white paper for the Council's consideration regarding the value of establishing a Missouri Woodland Owners Association and if deemed positive, how that group might best be structured. Dr. Becker and Mr. Murphy recommended that Dr. Stelzer take the lead in developing the white paper. The motion passed. Dr. Garrett stated that he would appreciate input on who might best serve on this committee and that he would ask Dr. Stelzer to serve as committee chair. Dr. Garrett will also ask Dr. Stelzer to provide an initial white paper draft to the committee members before their first meeting to allow the group's discussion to progress at a good rate. Mr. Steve Mahfood requested that MoFRAC members be provided white paper drafts as work progresses.

Biomass Harvesting BMPs

Mr. Tuttle, provided an update on work being done under a US Forest Service grant to develop best management practices (BMPs) for woody biomass harvesting. The group's website is:

<http://mdc4.mdc.mo.gov/applications/MDCLibrary/MDCLibrary2.aspx?NodeID=2055>

Committee members reflect a wide range of agency affiliations and scientific expertise. Three meetings have been held with a lot of work accomplished between meetings. Mr. Doug Enyart is completing a rough draft of the product document that should be posted to their website by early June. Much work has been required to translate very technical information into terms that are sufficiently precise, yet understandable by landowners and loggers. At this time, the committee hopes to reconvene their stakeholders group by late June with the final product being made available by some time in July of this year. Dr. Garrett expressed the hope that MoFRAC could have a chance to review the final draft before it goes to the stakeholder group.

Carbon Credit Committee Report and Recommendations

Mr. Mahfood provided an update on current events in the carbon credit markets and associated events. Carbon emissions and carbon credit trading are becoming major issues in the environmental, agricultural and energy arenas. Warner-Lieberman is the main piece of legislation being discussed at this time and is in a constant state of flux as various groups bring their issues to the table. At this time, wording favors off-shore carbon sequestration projects over in-country projects and includes a provision to allocate 19 percent of carbon credit sales proceeds for energy efficiency work. Mr. Mahfood had just attended a meeting of 350 people in St. Louis dealing with global climate change issues in the Midwest. Some points he noted from that meeting are that there was very little discussion of energy efficiency; that utilities are looking at using forestry projects for carbon offsets, but don't know quite how to do this as yet; there is a sense that until some national legislation is passed on this subject we won't see a large amount of carbon credit projects in forestry; that Missouri utilities favor a national framework, rather than state-level frameworks, for carbon trading and they want some resolution hopefully within the next 12 months; and, that Missouri's electric rates could potentially double under some of the regulatory schemes being considered. This last point has led Missouri's federal delegation to push for some sort of social safety net to protect citizens from excessive utility rate increases.

Dr. Garrett shared his recent experience meeting with a group of investment bankers after giving a presentation on carbon credits and agroforestry to a group in Ithaca, New York. Literally billions of dollars are potentially available to participate in carbon offset projects around the world. Mr. Mahfood supported this point stating that the investment banking community is driving the carbon credit market and new energy technology development. One example is that utilities are having an extremely hard time getting fossil fueled electric generation facilities funded unless the projects include a detailed carbon mitigation presentation in their project plans.

Mr. Richard Stricklin, chair of the MoFRAC Carbon Credit Committee, distributed a list of six recommendations resulting from the committee's work. He explained that he

would present each recommendation separately and then ask for action regarding each. Recommendations 1, 2 and 3 were discussed, in some cases amended, and then approved in the following form.

Recommendation 1: MoFRAC takes the position that carbon management education and carbon market facilitation are tools that can be used to promote sustainable, productive, sound and healthy forestland management and for increasing landowner income.

Recommendation 2: The MoFRAC recommends that the Missouri Department of Conservation (MDC) consider increasing or raising their priority of selling or marketing carbon credits on their own fee lands and that they assess the feasibility of using these or other funds in reducing costs of family forestry carbon offset projects.

Recommendation 3: The MoFRAC recommends that the Natural Resources Conservation Service consider increasing the allocation of EQIP funds for implementation of the Prescribed Forestry (409) practice.

The proposed wording for Recommendation 4 was, “That MoFRAC form a State Stewardship Coordinating Committee to meet on a regular basis, and fulfill federal requirements, to create uniform forestry management plan standards and conduct other business.” After discussion the Council voted that this recommendation be stricken. The Council will submit a letter to MDC requesting that it consider designating the MoFRAC as the Missouri Stewardship Coordinating Committee since the groups to be represented on the stewardship committee are essentially the same as those constituting MoFRAC.

Proposed wording of Recommendation 5 was, “MoFRAC recommends anyone receiving state funds involving tax credits or cost share dealing with forestry activities use a Certified Professional Forester, Certified Master Logger and the use of Best Management Practices.” This proposed recommendation led to a lot of very thoughtful discussion on several issues that would be affected by implementation of such language. Mr. Strong pointed out that this recommendation touches on issues that might better be developed as foundational position statements for MoFRAC activities. The group also noted that these issues reach beyond the area of carbon credit activities alone. The council voted to strike this recommendation. However, the group also agreed that the points identified in this recommendation should not die, but rather must be revisited and clarified as policy statements that can govern the broad suite of Missouri forestry issues.

Recommendation 6 read thusly, “That MoFRAC form an Education Committee with the purpose of facilitating the coordination and integration of forestry practices including managing for carbon credits.” The Council voted to strike this recommendation since it goes beyond carbon credit issues. However, discussion of formation of a MoFRAC education committee will be an agenda item at the next MoFRAC meeting. All members are asked to provide ideas of what issues such a committee should address so that our discussion can be as productive as possible.

Other

All member organizations are asked to provide to the Secretary the name and contact information for both their designated representative and their appointed alternate to the Secretary. This is to make sure our contact lists are correct.

Next Meeting

Dr. Garrett reminded Council members to provide suggestions for agenda items for the next meeting. This meeting will be held within eight weeks on a Thursday.

Adjournment Meeting was adjourned at approximately 4:00 p.m.