

Missouri Forest Resources Advisory Council
MoFRAC
Wednesday, March 10, 2010
Farm Bureau Headquarters Building
Jefferson City
10:00 a.m. - 3:00 p.m.

MINUTES

The meeting was called to order at 10:00 a.m. by Chairman Scott Brundage and introductions were made. The following were in attendance: Joe Alley, Donna Baldwin, Anastasia Becker, Scott Brundage, Eugene Brunk, Fred Crouse, Bob DeWitt, Hank Dorst, Doug Enyart, John Fleming, Jason Green, John Heckman, Mike Huffman, Steve Jarvis, Shelby Jones, Shibu Jose, Ed Keyser, Wayne Lovelace, Bill McGuire, Dave Murphy, Sam Orr, Harlan Palm, Gus Raeker, Kelly Smith, Carol Trokey, Steve Thurman, John Tuttle, Jerry Van Sambeek, and Steve Westin.

Forest Landowners Association & Tree Farm Program – Mike Huffman, Mo. Dept. of Conservation (MDC), and Steve Jarvis, Missouri Forest Products Association (MFPA)

Mike explained that the idea of a Missouri Forest Landowners Association has been around for a while. Several groups exist now such as the Walnut Council, Tree Farm, and Eastern Ozarks Forestry Council. Mike distributed copies of a white paper developed earlier by Hank Stelzer and others that includes some background information. Mike noted another point is that some people that are not necessarily forest landowners still would like to be involved in an umbrella forestry group that could speak in a unified voice for Missouri forestry issues. Issues such as bioenergy and forest certification speak to the need for a unified voice. The Conservation Federation of Missouri (CFM) has passed a resolution favoring the development of a forestry association in Missouri.

Steve noted that MFPA feels the Tree Farm program has “outgrown” MFPA. The program was started by industry as a way to get wood to the mills. Now it’s expanded and developed into a more far-reaching program that recognizes water quality and other issues beyond timber production. Also, it has adopted a forest certification program component. Therefore, MFPA’s board has requested that some other group take on the administration of the Tree Farm program in Missouri.

The National Tree Farm Committee offers a 1 to 1 match for state-level dollars to help provide staffing for Tree Farm administration in the individual states. Scott Brundage added that although the Tree Farm Committee has not approved this suggestion to move the program from MFPA, he feels they would – it just hasn’t be brought before them yet. However, a number of Tree Farm members have been in on meetings and kept in the loop during this discussion process.

Mr. Huffman added that a Missouri Forest Landowners Association is seen as a group who would work with, not supplant, existing forestry groups in Missouri in order to provide a unified voice for forestry and forest landowners.

A motion was made by Mike Huffman, seconded by Gene Brunk, and unanimously approved for further study and development of a Missouri Forest Landowners Association in Missouri.

Pioneer Forest Blowdown Salvage Operation – Jason Green, Pioneer Forest

Jason gave a presentation/summary of the May 2009 wind event (blowdown) and salvage operations. He reported that they had six sales going when the storm hit. Some loggers were in the woods working with the event occurred and fortunately avoided injury. The storm affected several tracts and approximately 20,000 acres. Those interested can go to <http://cimss.ssec.wisc.edu/goes/blog/archives/2534> to view radar images of the event.

With the depressed market at the time, and the awareness that MDC and the US Forest Service would also be conducting salvage sales, Pioneer Forest worked to get their sales advertised as quickly as they could.

Sale Strategy – Pioneer Forests dropped their price expectations due to damage to logs, danger to loggers working on downed trees, and existing sawmill quotas. They had to hire loggers they hadn't previously worked with and are continually monitoring sales and logging conditions. This resulted in 23 sales being conducted simultaneously. They made sure BMPs are being installed correctly, and are pushing for best value utilization.

They asked loggers to sort by product on landing which resulted in larger landings, and improved profits. Sales resulted in 16.96 million feet salvaged; which includes sawlogs, blocking, and pine; Sawtimber \$125/MBF, Oak Blocking \$5/ton (\$30/MBF), and Pine \$4/ton (\$24/MBF). They are currently trying to clean up as much as possible before the timber value is lost.

Markets have held with a slight increase in demand. The same loggers have continued to work through the multiple blowdown sales so Pioneer Forest staff hasn't had to educate new crews. Staff also keeps them off the place when conditions are wet.

MDC Lands Blowdown Salvage Operation - Lynn Barnickol, Forestry Field Program Supervisor, MDC

Lynn reported that MDC foresters are currently conducting salvage harvests following these stand replacement events:

- May 8, 2009 wind event - Ozarks
- January 2009 ice – Southern Ozarks & Bootheel
- August 2008 Hurricane Ike related rain & wind – Bootheel into Ellington area

Lynn reported the top 3 damaged counties for the May 8th event were Madison, Reynolds, and Shannon; however, approximately 113,308 acres in 35 counties were affected, with a large percentage being private land. On Angeline Conservation Area, nearly 6,000 acres was impacted. Total MDC land affected is approximately 7,700 acres.

Like Pioneer Forest, MDC knew they needed to move quickly due to fuel load and log deterioration. They suspended regular logging operations to concentrate solely on salvage. They mapped heavily damaged areas and marked sale boundaries but didn't estimate values. They are required to use loggers who have completed Professional Timber Harvester training.

MDC currently has conducted 42 salvage sales. Lynn gets weekly progress reports and has audited sales twice - no problems detected. They will/have shut down during wet conditions and are required to shut down during turkey season. Contracts have been let on 11,150 acres. Collected revenue so far is \$917,000.

US Forest Service Salvage Operations - Carol Trokey

Carol reported that they will be offering sales in about a month. They estimate 20MM bf in the Salem district, and 10MM bf in the Potosi district. She will report more at the next meeting.

Additional Items - before breaking for lunch, Scott distributed the following handouts:

- An informational sheet provided by Collin Wamsley, Mo. Dept. of Agriculture on activities in Missouri and nationally on Thousand Cankers Disease.
- An announcement for the 2010 Missouri Tree Farm Conference to be held April 10, 2010 in Jackson, Mo.
- Walnut Council Tour registration information (tour is April 17, 2010) with map to the Bohler Tree Farm. The information included a chemical order form.

Forest Certification Detail - Susan Troxel Dewitt, Leadership Development Forester, MDC

Susan discussed the different forest certification schemes:

- Forest Stewardship Council
- Sustainable Forestry Initiative
- PEFC, Tree Farm for Private Land
- FSC certification for Private Land

She noted that there are basically two types of certification: certification of land management and chain of custody (COC) certification. Chain of custody certification is a little easier to get than land management certification. Land management certification can be awarded to a landowner, such as Pioneer Forest, or to a resource manager such as a consulting forester.

The idea of MDC pursuing certification goes back to 1999, with a gap analysis conducted in 2005. The benefits to MDC are that it fits in with the operational goals, puts MDC in a national leadership role, builds critical mass for market share, gives third party advocacy to MDC, and allows participation in future carbon markets. The system requires continuous improvement and documentation.

Twelve states have certified forestry agencies. Certified in Missouri are Pioneer Forests, Smith Flooring, and Clearwater Forestry Consultants. Doug Enyart added that larger processors that have good existing bookkeeping systems can readily adapt to FSC COC certification, but our loggers and smaller primary wood processors will have difficulty meeting these specifications.

Land management certification entails extensive requirements that must be met. It covers almost all aspects of agency operations. State agency ownerships have highest audit requirements and need extensive tracking mechanisms. Other requirements include issues of roads, policies and procedures, pesticide management, economics, cultural resources, and the local economy.

FSC has some elements that serve as obstacles to MDC seeking certification under this program.

MDC will need to develop a compliance manual and train staff to pursue third party certification. Mike Huffman noted that MDC is continuing to compare the various programs to determine what system will best serve the department.

Sam Orr asked Susan if she felt FSC is more political. Yes, they campaign actively and exclusively for their standards rather than advocate for certification in general. She noted PEFC endorses standards rather than having their own. FSC is global, with SFI serving North America.

Gene Brunk asked how it benefits MDC. Mike noted that 1) it provides a third party audit/review, 2) industry is interested in a source of certified timber to open additional markets, 3) it sets an example for forest management, and 4) buyers/markets are demanding certified wood.

Forest Resource Assessment & Strategy (FRAS) - Gus Raeker, Forestry District Supervisor, MDC

Gus reported that FRAS is required by the 2008 Farm Bill for states to continue to receive USFS funds. The FRAS Assessment process is more or less completed, and has identified eleven issue themes, corresponding Desired Future Conditions, and Forest Opportunity Areas (FOA's) – our best geographic opportunities for proactively sustaining Missouri's forestry resources. FOA's include approximately ½ of Missouri's 15.4MM acres of existing forest.

In order to Maintain Missouri' eligibility for the federal Forest Legacy program, Gus noted that he needs MoFRAC's support to accept the Forest Legacy Assessment of Need from 2005 as an appendix to FRAS. Dave Murphy made a motion to accept the 2005 Assessment of Need. Gene Brunk seconded the motion, and the motion was approved unanimously.

Gus is now working on developing the Strategy portion of FRAS. He distributed a draft List of Strategies and asked everyone to send comments to him by March 26th. For example, one strategy will be to establish stakeholder teams for each Priority Forest Landscape to foster collaboration and synergy. He asked everyone to go the MDC website (click on Forestry, then Forest Management, then Forest Resource Assessment and Strategy) for more information.

Forest Stewardship Council (FSC) Certification - John Hodges, Consultant, Mississippi, Smartwood

John Hodges thanked everyone for the opportunity to come to today's meetings. He noted he is a former professor from Mississippi State University, and now he is a consultant/lead auditor for Smartwood.

He said the most important thing to remember is that *certification improves forest management*.

What is FSC? Originally started by the Rainforest Alliance (RA), the Forest Stewardship Council is now a subsidiary of RA. It's global, non profit, independent stakeholder driven, market based, rigorous, credible and valued in the market. At this time Forest Stewardship USA develops regional standards and Smartwood, SCS and SGS serve as third party verifiers for the standard developers.

Scott asked what region Missouri falls into and who developed the standards. We are in the Ozark-Ouachita region, and Clint Trammel (Pioneer Forest) and Hank Dorst had input. Mr. Hodges noted that FSC is moving to a national standard with the most restrictive regional elements maintained for the regions. He thought you could do a web search for FSC-USA to find out who was on the original working group.

FSC operates based on a set of "principles". Standards protect water, wildlife, communities, and forests, with emphasis in economics, environment, and societies. It improves protection of biodiversity, worker protection, profits. It is performance based. FSC should (eventually) provide a price bonus in Missouri, as it is currently doing elsewhere, especially when products are being marketed overseas; and may also result in increased market share.

Types of FSC Certification:

- Single forest management enterprise (FME)
- Group certification (company, government agency, or private groups) Groups can include regular group certification or family forests (Small and Low Intensity Forest Landowners – SLIMF. Clearwater Forest Consultants is in this category.)

Process to become certified is 1) contact certifying organization, 2) prepare for assessment, 3) certification by auditors, 4) annual audits, and 5) recertification every 5 years.

Mr. Hodges also discussed Logger Certification by Smartwood. He noted that the good efforts by loggers are often overlooked. This program was developed for recognition of loggers. It is currently in Europe. The benefits of logger certification are to establish a niche, positioning for the future, align with others who are doing it, maintaining market share, acknowledgement, the assurance of excellence, communications and recognition, and it is a marketing tool.

Scientific Certification Systems (SCS) Certification - Jason Green, Pioneer Forest

Jason reported that FSC certification for Pioneer Forest costs about \$20,000 initially, and \$4,000-\$6,000 annually. They have not seen a return on this investment as of yet.

The Wood Products Manufacturing Association (WPMA) provides the following:

- Advertising service for members
- Many specialty and custom orders (ping-pong handles, wooden game pieces, dowels, grade)
- A weekly economic report for wood products industry
- Monthly newsletter that reaches 900+ companies
- Free supplier locating service
- Member directory with production capabilities
- Provides a discounted (\$500/year) chain of custody certification through SCS

Pioneer Forest Lumber, LLC was established to test market viability of certified lumber production. Its plan is to provide 100% FSC certified lumber to the St. Louis markets. They are learning more about sawmill operations, markets, and tree scaling. Focus is on grade lumber (green now and possibly kiln dried in the future) FAS and 1F for millworks and cabinet shops. The company hopes to attract LEED certified builders and architects. Presently, no demand for FSC blocking, ties or chips seems to exist. Mills are starting to get more money for certified grade lumber. Pioneer hopes to eventually recover the high costs of certification.

Sustainable Forestry Initiative (SFI) Tree Farm Certification - Steve Jarvis, MFPA

Steve Jarvis distributed a handout and asked everyone to read the quote at the top: *"We must remember that the fundamental purpose of forest certification systems was to decrease deforestation rates, particularly in tropical regions by using the marketplace to create incentives for good forest practices. Quibbling over the relative merits of good systems distracts from that overall goal"* – Dr. Jeff Howe, Dovetail Partners, Inc.

The handout offered a comparison between the FSC and SFI certification programs, as developed by SFI. Steve stressed that although both programs are very similar, important distinctions exist including:

- SFI allows plantations - Plantation certification under FSC is not allowed when conversion from natural forest, for example, converting hardwood stands to pine plantations across the US South. However, FSC allows plantations in about 8% of certifications outside of North America, even extensive plantations using non-native species, i.e., Brazilian plantations of US Loblolly Pine.
- SFI allows genetic research to improve disease resistance and restore "lost" species like the American Chestnut. FSC prohibits the harvest of genetically modified trees.
- SFI lacks market presence, compared to FSC. Now that SFI is independent of AF&PA, has a label and chain of custody, and has third-party audits, it is a viable alternative to the more expensive FSC program.
- SFI offers mutual recognition of other certification programs like the American Tree Farm Program and Canadian Standards Association, FSC does not.

Missouri Master Logger Program – Steve reported that the master logger program is up and running and that a second company has been certified. The master logger program is more than training; it is a certification program that ensures that sustainable harvesting practices are being done on ground.

Closing Items – Scott wrapped up the meeting with the following items:

Minutes from December 9, 2009 Meeting – Scott asked if anyone had changes to the last meeting minutes. With no changes noted, the minutes were approved as written. Minutes for This Meeting – will be posted to the web and emailed out in two weeks.

MoFRAC Member Directory – Sam Orr will update the directory based on today's sign-in sheet and will send to members and interested parties.

Next Meeting – please send your agenda items to Scott

Upcoming Meetings (Locations were finalized after the meeting.):

- **June 24, 2010, MDC Credit Union Meeting Room**
- **September 15, 2010, Conservation Department Auditorium**
- **December 9, 2010, Missouri Farm Bureau Headquarters**

Meeting adjourned at 3:09 p.m.