



WISCONSIN COUNCIL ON FORESTRY

Tony Evers, Governor

councilonforestry.wi.gov

Reply to: P.O. Box 7921

Madison, WI 53707-7921

Office: (715) 453-3274 x314

Email: tom.hittle@steigerwaldt.com

September 29, 2020

Members of the
Blue Ribbon Commission
on Rural Prosperity

Dear Commission Members:

RE: Rural Prosperity, Forests, and Forestry

Forests and a thriving forestry sector are critical for rural prosperity in Wisconsin. From paper mills to outdoor recreation, and from farmers' forest bank accounts to tribal old growth, forests have a tremendous current role and future potential. We urge the Governor's Blue Ribbon Commission on Rural Prosperity to make forests, and the forest economies and rural communities they support, a prominent part of your report. Our policy recommendations will help secure a prosperous rural Wisconsin, green jobs, and an equitable future for all of our state's residents.

Wisconsin's Council on Forestry (COF) appreciates the opportunity to comment on rural prosperity. The COF was established in 2002 under Wisconsin Statute Chapter 26.02 to advise the governor, legislature, the Department of Natural Resources and other state agencies on topics affecting Wisconsin's forests and forest products industries.

Forests and the forest industry sector are important to Wisconsin's rural prosperity for many reasonsⁱ:

- Wisconsin's 17 million acres of forestlands – nearly half the state's land - significantly enhance the economy and quality of life in our state
- There are over 63,000 jobs in Wisconsin directly related to forestry. Forestry is the number one employer in seven counties and every job in forestry supports 1.5 additional jobs in the state
- Forestry is a \$24.4 billion industry in Wisconsin. Every million dollars of output in forestry creates \$600,000+ of output in other sectors
- Outdoor recreation is an \$18 billion industry in Wisconsin. Forests and the wildlife habitat and freshwater they support are critical for outdoor recreation
- About 360,000 private non-industrial woodland landowners invest in rural property
- Over half (57%) of farmers own woodlands which provide financial, recreation, and other benefits
- Forests provide tremendously valuable benefits through clean water, clean air, wildlife habitat, and carbon storage

Tom Hittle
Chairman

▪

Matt Dallman
Vice-Chair

▪

Sen. Janet Bewley

▪

Michael Bolton

▪

Gary Halpin

▪

James Hoppe

▪

Buddy Huffaker

▪

James Kerkman

▪

Dr. William Van Lopik

▪

Rebekah Luedtke

▪

Rep. Beth Meyers

▪

Rep. Jeffrey Mursau

▪

Ken Price

▪

Dr. Adena Rissman

▪

Henry Schienebeck

▪

Jason Sjostrom

▪

Jordan Skiff

▪

Paul Strong

▪

Mike Warnke

Forests provide many essential social, environmental and economic benefits for Wisconsin residents and visitors. A strong forestry sector that includes markets for sustainably managed woodlands is essential for Wisconsin's rural prosperity. Forests support rural as well as suburban and urban economies and communities - whether it's through recreation or wood product processing.

One recent economic shock has been the idling of the Verso mills in Wisconsin Rapids and Duluth, Minnesota. The Wisconsin Rapids Mill is one of the largest markets for harvested timber in Wisconsin. The mill consumes approximately 1.4 million tons of pulpwood annually; this is approximately 25 percent of all pulpwood volume harvested in the state. The mill closure was exacerbated by COVID-19 along with the decline in paper purchases. If a full mill closure occurs, the total job loss in Wood County and the surrounding eight counties including direct, indirect, and induced effects is estimated at over 2,500 employees with gross output of over \$950 million. The idling is also impacting over 500 different loggers and trucking firms that supply timber to the Verso pulp mill from more distant Wisconsin rural communities.

Wisconsin's sawmills, also heavily concentrated in smaller communities, have been under strain from COVID-19 related impacts following on the heels of global politics, trade wars, and tariffs that have closed export markets. While some sawlog markets and graphic paper for commercial printing, magazines, and other uses has been declining, packaging and specialty paper have been growing and tissue paper has remained stable. Maintaining the industries we have and helping enhance the diversity and resiliency of these markets that support our sustainable forest management efforts will be critical to the health of our overall state's economy.

Wisconsin's fiber supply chain connects rural forestland owners, loggers and truckers, equipment dealers and service technicians, foresters and natural resource professionals, and primary and secondary wood using industries. A weak link in this supply chain impacts all of the contributors across rural Wisconsin. Ultimately, without the end markets, the ability to sustainably manage our forest resources to provide all of the ecological, social, and economic benefits from a vigorous forest are in jeopardy.

Some forest operations are falling through the cracks between WEDC and Department of Revenue COVID-19 assistance. In one case, a woodland owner with a Christmas tree farm was unable to receive either a WEDC grant due to filing the agricultural tax schedule, or the Department of Revenue form due to insufficient qualifying income because of losses due to storm damage. If the programs weren't designed for family forest owners, then they were likely not designed well for small farmers either. Greater grant application flexibility and accessibility is needed. Better coordination between WEDC and timber and agriculture-based businesses is also important.

It is important to prioritize places of persistent poverty and at-risk regions. While the need is great across the state, evidence shows that the virus has hit – and may yet hit – some places harder than others. For example, persistent poverty regions and rural places with at-risk tourism or mills, or high minority populations, among others, may be at special risk or will fall further behind without focused attention. We recommend you regularly track rural areas facing particularly devastating or deepening stress from the crisis and ensure that they receive priority attention in the distribution of resources. Attention to historically underserved communities is critical so that new investments will improve fairness.

Specifically, the Council on Forestry offers the following suggestions as ways to realize the potential Wisconsin's forests and forest industry offer to enhance rural economies and communities:

- Continue support for the Office of Rural Prosperity within WEDC
- Enhance flexibility in state grants to enable forest landowners to access resources, including programs administered by WEDC and the Department of Revenue which may not be tailored for small forest enterprises
- Pursue federal grants and opportunities from the United States Department of Agriculture and other agencies that would support and interface with local community, forestry, and natural resource efforts
- Create green jobs in forestry and natural resources that improve economies and ecosystems and train students and workers for these jobs
- Encourage a closer partnership with the Departments of Natural Resources, Tourism, and Agriculture Trade and Consumer Protection to better integrate forests, tourism, agriculture, and economic development
- Promote sustainably managed forests by increasing the amount of public and private lands enrolled in the Managed Forest Law program, certification programs, and working forest conservation easements
- Enhance rural transportation and infrastructure to support forestry and recreation while minimizing forest fragmentation and other road impacts
- Promote forest economies through sustainable timber harvest and recreation by promoting existing and new programs that protect forests from being converted to other uses. For example, consider 1) reinstating the Forestry Mill Tax or committing to equivalent general purpose revenue, 2) reauthorizing the Knowles-Nelson Stewardship Program, 3) supporting and increasing the use of federal Forest Legacy Program and Land and Water Conservation Fund, and 4) property tax policy that does not disincentivize sound forestry
- Enhance research and capacity building to address threats to forests including from climate change, insects, disease, storms, deer browse, fragmentation, and use of non-renewable resources
- Enhance partnerships for research and development of new markets for durable wood products and products that can be substitutes for higher greenhouse gas emitting materials such as plastic and other petroleum-based products
- Facilitate access to environmental markets such as voluntary forest carbon markets for groups of family forest owners, with consideration for impacts to traditional wood markets
- Encourage the building of mass timber structures, the use of cross laminated timber and the use of Wisconsin wood in construction of residential and commercial buildings, which may require adoption of changes in building codes that have recently been approved by the International Code Council (ICC)
- Model, pilot, and implement forest management practices proven to increase carbon stocks at larger scales including using climate-smart practices on state-managed forests
- Support small-scale geographically-distributed woody biomass energy as a renewable energy source and economic opportunity in rural areas
- Prioritize high-risk communities in recovery and response. Criteria for determining which communities qualify as "high-risk" should consider persistent poverty, lack of capacity to address COVID-19 and other shocks, and industry sectors that are critical or growing and have been impacted by COVID-19
- Build environmental justice into rural development so that the benefits and risks are fairly distributed and there is fair access to participate in decision-making, including tribal

- consultation and inclusion of underserved communities
- Support tribal sovereignty to enhance tribes' economies and cultures through forest management
- Increase research on forest-based economies and rural development
- Promote public awareness, education, and research on the role of forests and forestry in rural economies and communities

Enhancing rural prosperity will require a multitude of strategies, including strengthening Wisconsin's natural forest assets to promote the timber industry, outdoor recreation industry, and many other economic and social benefits forests provide such as clean water and clean air. Forests, trees, or the timber industry were not mentioned in Executive Order #65 that established the Governor's Blue Ribbon Commission on Rural Prosperity. We hope forests and forestry will have a prominent place in the final report, given the important role of forests in securing rural prosperity in Wisconsin through timber, outdoor recreation, environmental benefits, and non-timber forest products.

The Council would be happy to engage in discussions on how to implement the suggestions we offer in this letter. We appreciate the Governor's visit to the Council on Forestry on May 26, 2020 and look forward to strengthening our partnerships for Wisconsin's forests, economies, rural communities, and citizens.

Sincerely,



Tom Hittle
Chair of the Wisconsin Council on Forestry



Dr. Adena Rissman
Council on Forestry, Sound Forestry and Policy Committee Chair

Cc:

Kelliann Blazek

ⁱ Wisconsin Department of Natural Resources. *Forestry and the Wisconsin economy.*
<https://dnr.wisconsin.gov/topic/forestbusiness/factsheets> <https://dnr.wisconsin.gov/topic/fl/PropertyPlanning/Scorp>
<https://dnr.wisconsin.gov/topic/forestlandowners/private>