



Wisconsin Council on Forestry

Tony Evers, Governor
CouncilOnForestry.wi.gov

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Honorable Governor Tony Evers
WI State Capital
P.O. Box 7863
Madison, WI 53707To:

Subject: Forest Products Industry Support

The Wisconsin Council on Forestry is recommending action to counteract impacts to our forest industry that are threatening our state's economy, the prosperity of our rural communities, and the health of our forests.

We are asking you to dedicate the resources and funding to complete the needed research and develop a comprehensive strategic plan to support, diversify, and further develop our forest industry.

The Wisconsin Council on Forestry is a diverse group of forestry community leaders who support Wisconsin's efforts to achieve sustainable forestry. The Council was created by State Statute 26.02 to advise the governor, legislature, Department of Natural Resources, and other state agencies on a host of forestry issues including:

- The practice of sustainable forestry
- Protection of forests from fire, insects, and disease
- Public knowledge and awareness of forestry issues
- Forestry research
- Economic development and employment in the forestry industry
- Marketing and use of forest products
- Legislation affecting management of Wisconsin's forest lands

The Wisconsin Council on Forestry's current priorities include initiatives to support and enhance our forest products industry, initiatives that are closely aligned with the topics outlined by statute as the Council's purpose.

The Latest Wisconsin Industry Figures

- The forest products industry in Wisconsin provides over 58,000 direct full- and part-time jobs with a total economic contribution of \$24.5 billion.
- It ranks twelfth in terms of the number of full- and part-time jobs, eighth in value-added, and second in industry output in the state.
- Every 10 jobs in the forest products industry support an additional 12 jobs in other state sectors.
- Combining direct, indirect and induced effects, the industry contributes 130,000 jobs with an annual gross output of \$37.8 billion.
- The forest products industry is the number one employer in eight counties and the number one for industry output in 15 counties.

Despite these substantial numbers, Wisconsin's forest industry faces several challenges that the Council believes will significantly limit these economic contributions. (The Council has prepared a separate document, attached, with more background, and details on challenging industry trends.)

Keeping Wisconsin's Forests as Forests is a Key Foundational Principle

- Declining value for harvested forest products impacts the ability of landowners to achieve sound and sustainable forest management objectives.
- Increased operating expenses and uncertain markets impact the ability of Wisconsin's timber producers to operate, hire workers, and invest in harvesting equipment often valued in millions of dollars, all threatening the entire fiber supply chain.
- When the economic value of forests is minimized, pressures build for the conversion of forestland to other uses.

Considering:

- The significant role the forest products industry plays in Wisconsin's economy is at risk.
- A vibrant forest industry is a key component of maintaining healthy, vigorous forests.
- The Council has found through widespread work with forest stakeholders that there is a recognized need for efforts to address industry challenges.
- The Wisconsin forest industry competes regionally, nationally, and internationally and Wisconsin is at risk of falling behind as other regions heavily invest in transforming their forest industries.
- The development of strategic plans and a corresponding "roadmap" representing the necessary actionable items to achieve future defined industry goals has been used by states including Maine and Vermont to address their forest industry challenges.
- The Council on Forestry is positioned to continue to prioritize and support this effort but lacks the structural capacity and resources to launch and complete the work needed.
- Wisconsin has a history and reputation of sound and sustainable forest and natural resource management and a commitment to clean air and clean water and the desire to continue this heritage.

Therefore, the Council Makes the Following Recommendations:

1. Create an appropriation with \$775,000 in one-time funding from the Forestry Segregated Account that would enable the Department of Natural Resources - Division of Forestry (or other State entity) to disperse funding to an eligible forestry stakeholder, who working under the direction of a project coalition of partners and the Council, will administer and contract with a consultant(s) as determined appropriate to complete a comprehensive forest products industry strategic plan and roadmap.
2. Additionally, the Council requests that the impacted agency (DNR or other state entity) be granted position authority for a project position to manage and support this committee and to take the necessary steps, in cooperation with the Council, to form and manage a coalition known as the “Industry Strategic Planning Steering Committee” comprised of a variety of stakeholder group representatives.
 - a. The purpose of the Steering Committee would be to advise and assist the forest stakeholder funding recipient and the Council in steps necessary to secure a study consultant(s), manage the study process and develop recommendations.
 - b. The Steering Committee will remain engaged throughout the strategic plan and roadmap process.
3. Direct the project coalition and stakeholder funding recipient to conduct the first phase of a multi-phase comprehensive strategic planning effort, that would center on determining the factors that are preventing potential new, and existing, forest products companies from locating and/or expanding in Wisconsin and recommendations to remedy identified factors. Using a portion of the designated funding, this initial effort would focus on:
 - a. the industry regulatory and permitting process.
 - b. wood fiber availability.
 - c. additional needs to be addressed for the completion of a comprehensive strategic plan and roadmap.
4. Direct the Council upon completion of this first study to provide recommendations to the Legislature regarding the study’s outcomes and potential next steps to address identified factors that are preventing potential new, and existing, forest products companies from locating and expanding in Wisconsin along with next steps to contribute towards developing a forest products strategic plan and roadmap. The council recommendations will consider Steering Committee review and advisement and be consistent with Wisconsin’s commitment to sustainable forest management and protecting clean water and air quality.

Timeframe

The Council is prepared to contribute to early organizational and planning efforts as soon as reasonably practical. The completion of the initial efforts focused on the industry regulatory and permitting process and wood fiber availability could be within approximately 12 months of being able to secure consultants. The overall project duration to arrive at a complete strategic plan and roadmap is expected to be approximately a two-to-three-year process after start-up.

The Council looks forward to the opportunity to discuss and move this needed and exciting initiative forward as soon as possible. For additional information, please see the attached document - "Wisconsin's Forest Products Industry – Signs of Challenges Ahead".

Sincerely,



Thomas Hittle
Chair, WI Council on Forestry

*Please note that due to the nature of their public positions, Council members Representatives Jeffrey Mursau and Katrina Shankland, Senators Romaine Quinn and Jeff Smith, State Forester Heather Berklund, and Chequamegon Nicolet National Forest Supervisor Jenn Youngblood abstain as signatories.

Att: Wisconsin Forest Products Industry – Signs of Challenges Ahead

cc:

DNR Acting Secretary Steven Little

Senator Romaine Quinn – Chair, Senate Committee on Housing, Rural Issues and Forestry

Representative Jeff Mursau – Chair Assembly Committee Forestry, Parks and Outdoor Recreation