



MINNESOTA FOREST INDUSTRIES

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February 4, 2023

Sandra L. Pappas
2113 Minnesota Senate Bldg.
St. Paul, MN 55155

RE: Minnesota DNR Bonding Proposal

Dear Senator Pappas and Senate Capital Investment Committee Members:

Minnesota Forest Industries, Inc. (MFI) is an association representing Minnesota's primary forest product companies. MFI and its member companies encourage conservation, proper forest management, and industry development that foster sound environmental stewardship, multiple use of timber lands, and sustainable, long-term timber supply. MFI members are part of a forest products industry which contributes \$16.8 billion to Minnesota's economy and provides nearly 68,000 jobs.

We write in support of two key portions of the Governor's bonding proposal: reforestation and improvements to the state's tree nursery. Reforestation is a critical component of proper forest management and contributes to reducing atmospheric carbon. Some forest types require tree planting after final harvest, and the DNR is bound by statute to do so. These trees then need to be protected from deer damage and vegetative competition until they are large enough to survive. Funding for reforestation has historically come from bonding, reflecting the long-term investment in a state resource. However, there has been no funding for these activities since 2018, and the account has essentially run dry. There is a dire need to fund a backlog of reforestation activities as well as future actions. **Request: \$10 million Directed to Reforestation Under Betterment of Public Lands.**

Minnesota DNR relies on two primary sources for seedlings during reforestation. They purchase containerized seedlings grown in Michigan using Minnesota seed, and they grow their own bare-root seedlings at the Badoura State Nursery. This facility, like many of our fish hatcheries, was built in the 1970s and has had few investments since. The aging equipment, facilities and technology is inadequate to meet the needs of the state. We need to make a significant investment in the nursery in order to meet the current and future demand for stock to increase forest cover in Minnesota. This will help the state meet demands ranging from increasing need for wood products to increasing carbon absorption. **Request: \$10 million Directed to the State Nursery Under Betterment of Buildings.**

Thank you for your consideration.

Sincerely,

Rick Horton
Executive Vice President
Minnesota Forest Industries

Cc: DNR Commissioner Sarah Strommen