



Minnesota Forest Resources Council

Report to the Governor and Legislature
on the Implementation of the
Sustainable Forest Resources Act

2010



Minnesota Forest Resources Council

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of the Sustainable Forest Resources Act

Respectfully submitted by the Minnesota Forest Resources Council

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MFRC Membership

The Governor appoints a chair and 15 members to the Minnesota Forest Resources Council (MFRC) and the Minnesota Indian Affairs Council appoints one member. The 17-member Council includes representatives from the following interests:

- Commercial logging contractors
- Conservation organizations
- County land departments
- Environmental organizations (2)
- Forest products industry
- Game species management organizations
- Labor organizations
- Minnesota Department of Natural Resources
- Minnesota Indian Affairs Council
- Nonindustrial private forest landowners (2)
- Research and higher education
- Resort and tourism industry
- Secondary wood products manufacturers
- USDA Forest Service



This report fulfills requirements of Minnesota Statute 89A.03 Subd. 6., in which:

The council must report to the governor and to the legislative committees and divisions with jurisdiction over environment and natural resource policy and finance by February 1 of each year. The report must describe the progress and accomplishments made by the council during the preceding year.

The Sustainable Forest Resources Act (M.S. § 89A)

In 1995, the Sustainable Forest Resource Act (SFRA) created a policy framework for sustainable forestry to:

- Sustainably manage, use, and protect the state's forest resources to achieve the state's economic, environmental, and social goals.
- Encourage cooperation and collaboration between public and private sectors in managing the state's forest resources.
- Recognize and consider forest resource issues, concerns, and impacts at appropriate geographic scales.
- Recognize all perspectives regarding the management, use, and protection of the state's forest resources; establish processes and mechanisms that seek these perspectives; and incorporate them into planning and management.

Estimated cost to prepare this report (M.S. § 3.197): \$1,768 (staff time and printing). This report was printed in limited quantities. The electronic version is available on the Minnesota Forest Resources Council website at www.frc.mn.gov/documents/council/MFRC_2010_Report.pdf.

This report can be made available in other formats upon request.

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“The MFRC has become an effective organization for framing and guiding a non-regulatory approach to the management, stewardship, and sustainability of Minnesota’s forested landscapes and addressing related issues of forest resource policy.”

- Fedkiw and Rose 2008
Stewardship and Landscape Coordination for Sustainable Forests
Pinchot Institute for Conservation
Washington, D.C.

An Overview of MFRC Accomplishments in 2010

The MFRC:

Approved an integrated set of policy options designed to retain working forestlands. In 2010, the MFRC completed the *Forestland Retention Study*, an assessment of the magnitude, causes, and impacts of forestland parcelization¹ and policy tools to mitigate adverse effects of parcelization and subsequent development.

As directed by the 2009 legislature, the MFRC assessed the economic and ecological feasibility of increasing carbon sequestration in forests by planting 1,000,000 acres of trees, a recommendation of the Governor's Minnesota Climate Change Advisory Group.

Completed an economic analysis of potential changes in forest management guidelines identified by the Riparian Science Technical Committee (RSTC). The report assessed the marginal foregone stumpage value associated with the RSTC-recommended changes in riparian zone width and residual basal areas.

In response to a Lessard-Sams Outdoor Heritage Council request, in conjunction with the Minnesota Forest Resources Partnership, the MFRC presented statewide and sectional visions for wildlife habitat protection, restoration and enhancement in Minnesota forests, reflecting input from citizens and scientists statewide. MFRC staff served on the LSOHC 25-year funding framework advisory committee and working group.

Supported a coordinated response to emerald ash borer (EAB) by co-organizing a May 2010 black ash conference, serving on a MN Department of Agriculture EAB advisory committee responsible for allocating \$1.875 million in EAB incidence response and planning grants to local units of government, and collaborating with University of Minnesota and USDA Forest Service researchers on a project to assess impacts of EAB in black ash wetlands.

¹ Forest parcelization is the division of larger forest parcels into smaller forest parcels.

Led collaborative projects to implement landscape plans across the state. The six regional landscape committees developed a blend of outreach and education, research, and on-the-ground pilot projects that implement goals and strategies in the landscape plans while simultaneously addressing regional issues.

Secured nearly \$500,000 in grants from the USDA Forest Service for forest management on private land across the state and for the development and evaluation of model landscape stewardship plans in north central and southeast Minnesota.

Helped develop a new USDA Forest Service State and Private Forestry landscape approach to improve the efficiency and delivery of stewardship assistance and planning on private lands across all 50 states.

Completed the Northern Landscape Plan Amendment to better incorporate ecological goals and strategies. The amendment, suggested during the original plan approval in 2004, was crucial for Koochiching County to meet Forest Certification requirements.

Initiated revision of the Site-level Forest Management Guidelines used by loggers and resource managers for sustainable forest management. The MFRC completed the scoping process for revision and has begun evaluating changes to improve the guidelines.

Oversaw \$540,000 in research grants resulting in recommendations to improve state timber sales policies; an assessment of the ecological impacts of forest parcelization; and an ongoing study of the ecological impacts of woody biomass harvest for energy.

State of the Forest:

Our annual report this year includes a brief “state of the forest” (pages 8 and 9), an overview of Minnesota’s forest resources and the management challenges and opportunities we face in managing and protecting them.

Forest Policy

The MFRC is a forum where forest stakeholders discuss and resolve issues regarding the management of Minnesota's forests. We have helped depoliticize forestry issues in Minnesota by facilitating collaboration and fostering the use of scientific information. We advise the Governor, legislature and public agencies on sustainable forest policies.

Accomplishments

Forestland Retention:

MFRC completed a multi-year analysis to maintain the working forest land base in Minnesota. This analysis included an assessment of the extent of the loss of working forests, the drivers associated with the loss of working forestlands and the effectiveness of various policy options for encouraging the retention of working forestlands. The study identified development "hot spots"; reviewed policy tools such as conservation easements, tax policy and land use planning; and provided a suite of policy options for consideration by the Legislature. The report, [*Maintaining the Forestland Base in Minnesota*](#), and other materials are available on our website.

Carbon Sequestration:

Under direction of the Legislature, MFRC assessed the feasibility of a recommendation by the Minnesota Climate Change Advisory Group (MCCAG) to plant one million acres of trees for carbon sequestration in Minnesota. The resulting report, [*Assessing Forestation Opportunities for Carbon Sequestration in Minnesota*](#), was presented to a joint Senate hearing in April 2010. Recommendations from the report included combining existing programs and funding to meet multiple environmental benefits, adapting policy incentives to new and emerging markets, improving competitiveness of private nurseries, and planting native species with high sequestration potential.

Economic Analysis:

In 2006, the MFRC's Riparian Science Technical Committee (RSTC) suggested a number of improvements to Minnesota's forest management guidelines. A 2010 MFRC analysis, [*Economic Analysis of Potential Changes to the Riparian Forest Management Guidelines*](#), assesses the potential revenue losses to loggers associated with the RSTC-recommended changes in riparian zone width and residual basal areas.

Outdoor Heritage Fund:

At the request of the Lessard-Sams Outdoor Heritage Council (LSOHC), MFRC and the Minnesota Forest Resources Partnership developed a [*25-year Vision for Forest Habitat Investments*](#) for the Outdoor Heritage Fund.

Participation by MFRC Staff in Advisory Committees:

- LSOHC 25-year framework advisory committee and working group
- MN Department of Agriculture (allocation of \$1.875 million in Emerald Ash Borer incident response/planning grants)
- May 2010 Black Ash Management Symposium

Landscape-level Forest Resource Management

The MFRC Landscape Program is a forum where partners collaborate to bring about desired future conditions in each of six major forested regions. The Council has helped landscape committee partners obtain over \$4 million in federal, private, and non-General Fund state grants to support their work.

Accomplishments

On-the-ground:

The MFRC Landscape Program led the development of over 20 multi-owner collaborative projects. Examples include:

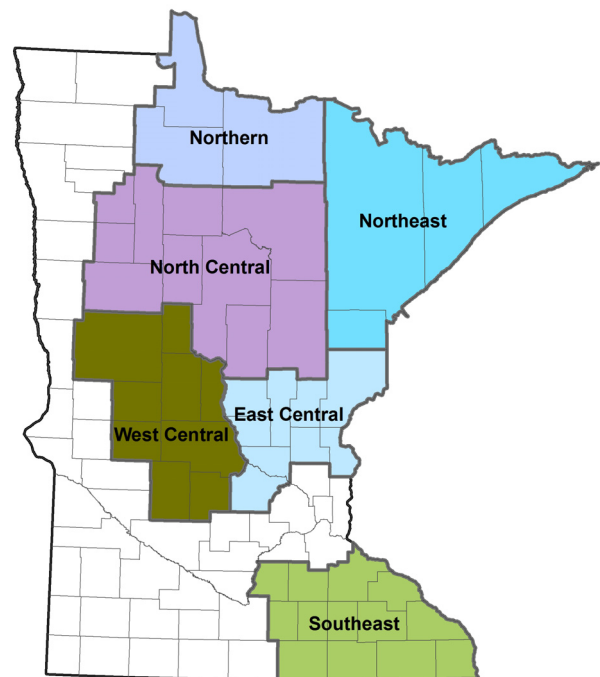
- Development of a cooperative road easement project for a 50,000 acre area in St. Louis County, protecting public access for future timber sales and recreational uses.
- White pine reestablishment in the Leech Lake Pines Collaborative Area.

Private Forest Management:

- Secured two grants from the USDA Forest Service (\$375,000 federal plus \$375,000 state and local match) for collaborative private forest management projects in each of the six forested regions.
- Supported development of successful grant proposals by landscape partners totaling over \$4 million over the past two years (includes \$750,000 noted in the previous bullet).
- Served on a USDA Forest Service national committee to support the development of a new landscape approach to improve the efficiency and delivery of private forest stewardship assistance and planning.

Northern Landscape Plan Amendment:

Facilitated development of a major plan [amendment](#), expanding ecological goals and strategies based upon a Natural Resources Research Institute native plant community study.



The MFRC Landscape Program organizes and facilitates collaboration among landowners, managers and citizens in six forested landscapes.

With MFRC assistance, local partners are shaping future forests by coordinating their efforts at sustaining forested landscapes and the benefits they provide, recognizing the importance of the forest-based economy and communities as well as forest biodiversity.

Voluntary Site-level Forest Management Guidelines

The MFRC provides up-to-date, science-based, voluntary forest management guidelines to help loggers, foresters and landowners sustain and conserve our forest resources and protect wildlife habitat, soils, water quality, wetlands, aesthetics, and historic and cultural resources. In 2010, MFRC helped the University of Minnesota obtain over \$1 million in non-General Fund grants to conduct site-level research.

Accomplishments

Guideline Development and Revision:

The next round of forest management guideline revisions are underway. Practitioner and public input informed a comprehensive scoping process completed in early 2010 to identify the guidelines for possible revision. Riparian practices, invasive species, and biomass harvest guidelines will be evaluated for revision or inclusion within the guidelines. Evaluation will be completed in 2011.

Site-level Research and Monitoring:

- Collaborated with the University of Minnesota and USDA Forest Service in obtaining a \$600,000+ Legislative-Citizen Commission on Minnesota Resources (LCCMR) grant to assess impacts of emerald ash borer (EAB) in black ash wetlands and to develop recommendations for management.
- Collaborated with partners at the University of Minnesota and the Natural Resources Research Institute to request LCCMR grants for research projects to assess leave tree effectiveness and biomass guidelines on sandy soils. Both projects are recommended for funding.
- Developed a sampling design and protocols for initiation of a long-term soil monitoring program. Conducted soil measurements to assess the effectiveness of MFRC guidelines at mitigating harvest impacts.

Monitoring Guideline Implementation:

The Department of Natural Resources produced a report in 2010 on levels of guideline implementation across Minnesota. Staff contributed to the development of the report by:

- Working with DNR to improve the site selection process and related products.
- Assisting DNR with contractor training and quality assessment/quality control of monitoring field sites.
- Assisting DNR with analysis, assessment, and reporting of 2009 monitoring data.

Education:

- Worked with Sustainable Forests Education Cooperative (SFEC) and Minnesota Logger Education Program (MLEP) to update and present the forest management guideline training curriculum to over 100 loggers and resource managers.
- Helped MLEP obtain funding for creation of an online forest management guideline training program that will allow loggers and practitioners to receive training at any time and throughout the state.
- Provided guidance to the SFEC by serving on its Education Advisory Committee.

Research

The MFRC conducts and supports key research to improve forest management and the sustainable use of forest resources. In 2010, the MFRC oversaw \$540,000 in research and pass-through grants. MFRC investments in research leveraged \$2.7 million in federal funding in the Lake States, including \$2.0 million in Minnesota.

Accomplishments

State Timber Sales Policy:

According to the Governor's 2006 Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry (www.frc.mn.gov/initiatives_policy_industry), improvements in timber sale policies and procedures would help the state's wood products industry become more competitive.

An MFRC-funded study completed this year assessed the impact of state timber sale procedures on stumpage prices. A more efficient and effective state timber sale program would include: sealed-bid auctions, shorter contracts (fewer 3 to 5-year contracts), and a re-evaluation of the intermediate timber sale program.

The report, *A National Review of State Timber Sale Programs and An Analysis of Factors Influencing Minnesota State Stumpage Prices*, is available online.

Forest Resources Research:

As required by the Sustainable Forest Resources Act, an assessment designed to inform strategic research funding and programmatic choices by decision-makers is nearly complete. Current research capacity and priority research needs in the state will be discussed in public forums prior to final distribution in 2011.

Ecological Impacts of Woody Biomass Harvest:

At the request of the 2008 Legislature, MFRC funded research by the University of Minnesota Department of Forest Resources on the effects of harvesting woody biomass for energy on forests and wildlife.

By leveraging the \$300,000 in funding from MFRC, the University obtained a \$2.7 million federal grant that will help expand the study to more sites in Minnesota, northern Wisconsin and Michigan. Two million dollars of this funding will be spent in Minnesota.

The study will provide information for evaluating the effectiveness of woody biomass and leave tree retention guidelines.

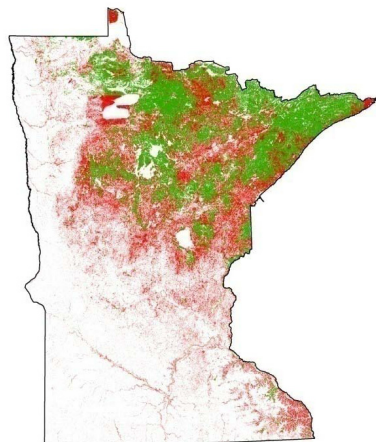
"Without being able to leverage the funding from the Forest Resources Council, the University of Minnesota would not have been able to obtain this \$2.7 million federal grant."

- Project manager Dr. Anthony D'Amato

State of the Forest 2010

Forestland

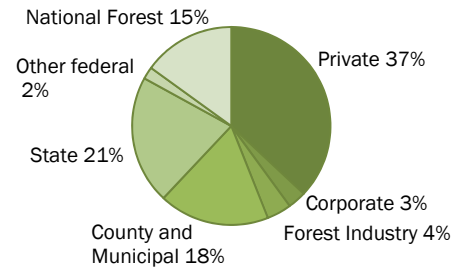
- Forests occupy approximately 17 million acres, about one-third of Minnesota's land base. Prior to European settlement, over 31 million acres were forested in Minnesota.
- Almost one million acres of forestland are reserved from timber harvesting.
- About 15.6 million acres are capable of producing timber. About one percent of Minnesota's forestland is harvested each year. Because growth in unharvested trees exceeds the amount removed during harvest, growing stock volume is rising.
- More than 8,000,000 acres of forestland are certified as being sustainably managed through third-party programs. Forest certification is a prerequisite for a competitive forest products industry.



Minnesota Forestland:
Public (56%) Private (44%)
Source: Miles and Heinzen 2010

Ownership and Management

- Fifty-six percent of Minnesota's forestland is owned and managed by federal, state, or county governments. Forty-four percent of Minnesota's forestland is privately owned.



Minnesota Forest Ownership and Management
Source: Miles et al. 2011

- Recent divestitures of land holdings by forest industry and ongoing parcelization of private forestlands may reduce the amount of working forest.
- There are about 194,000 family forest owners in Minnesota.
- Minnesota has permanently protected more than 330,000 acres of private forestland through conservation easements.

Challenges

Minnesota's forests and forest-dependent communities face unprecedented challenges, including:

- *Fewer mills are operating and often operate at less than full capacity.* Because of this, fewer loggers are active and there are fewer forest industry jobs.
- *Parcelization and subsequent development of forestlands* makes forest management more difficult and costly and often reduces the quality of wildlife habitat, as well as reducing public access for outdoor recreation activities.
- *Changes in temperature and precipitation patterns* likely will eliminate some species from parts of their current ranges and alter the plant and animal compositions of many forest communities.
- *Changes in climate, invasive plants and animals, and fragmentation, significant threats by themselves, together* may significantly reduce fiber production and threaten viable populations of native species.

Forest Benefits

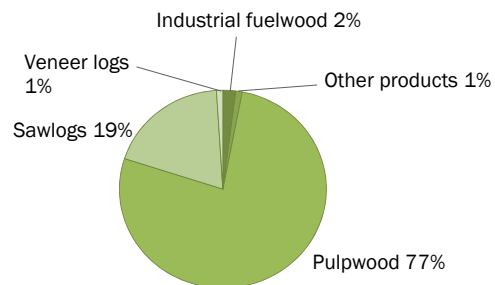
In Minnesota, trees and forests are integral to the state's economy and environmental health. Some examples include:

Business and Employment

- More than 40,000 people are employed in Minnesota's forest products industry, the fourth largest manufacturing sector in the state. The value of forest products, including pulp and paper, lumber, posts and poles, fuel wood, Christmas trees, furniture, and more, is over \$10.4 billion. Industry wages exceed \$1.6 billion.
- Forests provide diverse recreational opportunities for citizens and visitors. Forests are a key part of an \$11.2 billion tourism economy that provides 261,000 jobs.
- From Aitkin to Zumbro Falls, nearly 300 Minnesota cities are home to businesses from which the forest products industry purchases goods and services. For every dollar of timber sold, an additional \$41.60 of economic activity occurs.
- Sawmills, pulp and particleboard mills, and secondary processors are key forest products industry sectors. There are seven pulp mills in Minnesota; five of which produce paper.
- Minnesota mills process more than 95 percent of the industrial roundwood harvested in Minnesota.
- Cogeneration facilities utilizing wood fiber for energy are of increasing importance in supplying electricity and heat. There are now almost 40 cogeneration facilities in Minnesota.

Environmental Benefits

- Intact forest systems minimize soil erosion, moderate stream flows and protect against flood events, protect drinking water resources, increase infiltration and groundwater recharge and provide habitat for fish and wildlife.
- Minnesota's urban and community forests have an estimated 128 million trees, which have a compensatory (replacement) value of \$80 billion and provide environmental services conservatively estimated at \$6.5 billion to community residents every year.
- Minnesota forests provide essential habitat for over 175 forest-dependent wildlife species, such as the red-shouldered hawk and pine marten.
- The forests of Minnesota can help mitigate climate change by sequestering carbon and supplying renewable bioenergy that can be used in place of fossil fuels.



Industrial roundwood production by product, Minnesota, 2007.

Source: Miles et al. 2011

These, and other facts about Minnesota's forests, are available in the following reports:

MN DNR. 2010. *Minnesota Forest Resource Assessment: Important facts, information, trends and conditions about Minnesota's forests*. St. Paul, MN. 153 p.

Miles, P. and D. Heinzen. 2010. *Minnesota's Forest Resources 2009*. Res. Note. NRS-78. USDA Forest Service, Northern Research Station. Newton Square, PA. 4p.

Miles, P., D. Heinzen., M.E. Mielke, C. Woodall, B.J. Butler, R.J. Piva, D.M. Meneguzzo, C.H. Perry. 2011. *Minnesota's Forests 2004-2008*. Res. Bull. NRS-XX. USDA Forest Service, Northern Research Station. St. Paul, MN. In review

Participating in Sustainable Forestry

SFRA Programs rely on individuals interested in forest resources in Minnesota. Their participation assures that a “broad array of perspectives regarding the management, use, and protection of the state’s forest resources” (M.S. § 89A.02) guide forest resource planning and management.

MFRC Activities

There are many ways for interested individuals to become involved:

- Attend MFRC meetings. A schedule of meetings is posted on the MFRC website: www.frc.mn.gov
- Participate in regional landscape committees and projects. Contact our Landscape Program Manager at ekola.mfrc@charter.net or 320-256-8300.
- Use the timber harvesting/forest management guidelines. Guidelines are available on our [website](#) and hard copies are available by request from the MFRC office.
- Notify the MFRC of specific timber harvests or other forest management practices that concern you. Find out more in the description of the [Public Concerns Registration Process](#) below.
- Attend forest resources educational programs provided by the [Sustainable Forests Education Cooperative](#) or the [Minnesota Logger Education Program](#).

The Public Concerns Registration Process

The Public Concerns Registration Process (PCRP) allows citizens to inform landowners, foresters, and loggers of specific concerns regarding timber harvesting and forest management practices they see in Minnesota, and learn more about forest management.

PCRP encourages sustainable management of Minnesota’s forests through education. It is not a regulatory or dispute resolution program. Instead, landowners, loggers, and foresters become more aware of public concerns regarding forest management and citizens learn about guidelines for sustainable forest management.

Concerns registered with the Public Concerns Registration Process are confidential. To register a concern, call 1-888-234-3702 or submit one online at www.frc.mn.gov

MFRC 2010 Publications

Reports are available online: www.frc.mn.gov

Hibbard, C., L. McInenly, J. Coleman, L. Nellis, B. Ohm & J. Prohaska. 2010. *Maintaining the Forestland Base in Minnesota*. MFRC report. St. Paul, MN. 4 Appendices.

Hibbard, C. & R. Slesak. 2010. *Economic Analysis of Potential Changes to the Riparian Forest Management Guidelines: Potential costs and benefits of the Riparian Science Technical Committee Findings*. MFRC report. St. Paul, MN.

Kilgore, M., R. Brown, C. Blinn, J. Coggins and C. Pfender. 2010. *A National Review of State Timber Sale Programs and An Analysis of Factors Influencing Minnesota State Stumpage Prices. A report to the Minnesota Forest Resources Council*. University of Minnesota. St. Paul, MN.

MFRC. 2010. Northern Landscape Forest Resource Management Plan Amendment. St. Paul, MN.

Nellis, L. & B. Ohm. 2010. *A Model Forest Resources Element for Local Plans*. Supplement to Forest Retention Study. St. Paul, MN.

Prohaska, J. 2010. *Protecting Minnesota Forests From Parcelization with Conservation Easements*. A report prepared for the Minnesota Forest Resources Council. Supplement to the Forest Retention Study. St. Paul, MN.

Turner, C., D.R. Becker, S.J. Taff, G.M. Domke & V. Gauto. 2010. *Assessing Forestation Opportunities for Carbon Sequestration in Minnesota*. A report from the Minnesota Forest Resources Council. St. Paul, MN.

Thank You

SFRA Programs are voluntary. Thank you to all the organizations and individuals who continue to help, support, and participate in the programs of the Sustainable Forest Resources Act (SFRA) and the Minnesota Forest Resources Council (MFRC):

Associated Contract Loggers	Minnesota Deer Hunters Association	The Nature Conservancy
Audubon Minnesota	Minnesota Department of Natural Resources	The Trust for Public Land
Blandin Foundation	Minnesota Forest Industries	USDA Forest Service
Citizens of Minnesota who participate in SFRA and MFRC programs	Minnesota Forest Resources Partnership	Chippewa National Forest
Cloquet Forestry Center	Minnesota Forestry Association	Superior National Forest
Dovetail Partners Inc.	Minnesota Indian Affairs Council	Northern Research Station State and Private Forestry
Freshwater Society	Minnesota Land Trust	USDI Fish and Wildlife Service
Great River Greening	Minnesota Logger Education Program	University of Minnesota CFANS
Institute for Agriculture and Trade Policy – Community Forestry Resource Center	Minnesota Pollution Control Agency	Department of Forest Resources
Interagency Information Cooperative	Minnesota Power	Sustainable Forests Education Cooperative
Minnesota Association of County Land Commissioners	Minnesota Resort and Campground Association	University of Minnesota Duluth
Minnesota Board of Water and Soil Resources	Minnesota Ruffed Grouse Society	Natural Resources Research Institute
Minnesota Center for Environmental Advocacy	Minnesota Timber Producers Association	University of Minnesota Extension
	National Council for Air and Stream Improvement	Wood Fiber Employees Joint Legislative Council
	The Conservation Fund	



The Minnesota Forest Resources Council was established by the Sustainable Forest Resources Act (SFRA) of 1995 to promote sustainable management of Minnesota's forests.

To find out more about the council, visit our web site:

www.frc.mn.gov or call

651-603-0109

Minnesota is fortunate to have entities like the Minnesota Forest Resources Council and Minnesota Forest Resources Partnership helping land managers work across ownership boundaries on forest conservation."

- Robert Harper,
Asst. Dir. Forest Management,
USDA Forest Service, Washington D.C.
Former Forest Supervisor, Chippewa N.F.