



MICHIGAN
**FOREST
PRODUCTS**
COUNCIL

GOVERNOR'S FOREST PRODUCT SUMMIT

Report/Summary || compiled from DNR report on JULY 10, 2013

Governor Rick Snyder

Governor Rick Snyder opened the summit, reminding attendees that the summit was only the beginning of the process to grow the industry. He added that Michigan is currently in the era of innovation, and that it's up to each of us to make the most of the results of this era in terms of natural resources and quality of life.

During his opening remarks, the Governor proposed the following long-term questions:

- What are the export opportunities?
- What value-added processes are the best?
- What research and development are we doing?

Snyder added that after the summit, it's the attendees' responsibility for coming up with the plan, action, timeline and deliverables for the future of the state's forest products industry.

Speakers List

Dr. Ted Bilek, U.S. Forest Service Products Lab
Global view of the US forest products economy

Dr. Larry Leefers, Michigan State University
Strengths, weaknesses, and opportunities in Michigan's forest products industry

Allan Wieman, GE Capital Corporate Financial Services
Forest investments and factors in attracting investors

Industry Panel

Discussion of professional experiences: reviewing challenges and concerns for the future of the industry

Margaret Minerick, Minerick Logging/Sagola Hardwoods

Steve Walsh, Traxys Power Group

Mike Sussman, Verso Paper Corp.

Pete Madden, Plum Creek

Panel of State Government Agencies

Discussion of the tools, services, and support available to the industry, highlighting the importance of collaboration.

Jamie Clover Adams, Director, MDARD

Mike Finney, CEO, MEDC

Keith Creagh, Director, MDNR

Dan Wyant, Director, DEQ & leader of the Quality of Life (QOL) Departments

CONTACT: Abigail Walls, Director of Communications

PHONE: 517.853.8880 || **CELL:** 313.590.7499 || **EMAIL:** awalls@michiganforest.com



MICHIGAN
**FOREST
PRODUCTS**
COUNCIL

GOVERNOR'S FOREST PRODUCT SUMMIT

Report/Summary Continued || compiled from DNR report on JULY 10, 2013

Potential Opportunities:

In order of importance

1. Political climate that is supporting growing the timber industry
2. Favorable wood volume growth to drain ratio
3. Quality hardwood and sugar maple resource
4. Good road access across the state
5. Supplying local energy needs through biofuels
6. Availability of regional work forces
7. Improved relationship between industry and government
8. Large volume of certified forest
9. Good railroad network across the state
10. Expanding worldwide pellet market
11. Advances in forest harvest technology
12. Low business taxes
13. University cooperation and capacity
14. Finding commercial use for small volume and/or non-commercial species timber
15. Port access to world and Europe/wood fuel pellets and other markets
16. Michigan's quality of life attraction for new businesses
17. Use of timber for chemical production
18. Increasing timber mortality
19. Low-cost loans for new small businesses
20. Forest co-ops for small landowners

Potential Impediments:

In order of importance

1. Lack of harvest from federal forests
2. Lack of harvest from nonindustrial private forests
3. Lack of market information
4. Lack of worldwide awareness of Michigan's timber resources
5. High energy costs
6. Parcelization
7. Lack of logging capacity
8. Road system
9. Railroad system
10. Federal environmental regulations
11. Limited data analysis capacity
12. Lack of public support for timber industry
13. Cost of competitive energy
14. Conflicts between wildlife, recreation and forest products interests
15. State environmental regulations
16. Harvest restrictions on public lands
17. Power capacity in rural areas
18. Equipment costs/financing barriers
19. Fuel cost fluctuations
20. Shipping ports
21. Cost of labor
22. Lack of capital
23. Lack of support by government to expand markets
24. Overbrowsing of forests
25. Public road use/bonding for timber hauling
26. Interest in keeping status quo
27. Michigan's renewable portfolio standards

CONTACT: Abigail Walls, Director of Communications

PHONE: 517.853.8880 || **CELL:** 313.590.7499 || **EMAIL:** awalls@michiganforest.com



GOVERNOR'S FOREST PRODUCT SUMMIT

Report/Summary Continued || compiled from DNR report on JULY 10, 2013

Work Group Results:

- EDUCATION AND OUTREACH:
 - Public Information Campaign
 - Tell story of success
 - Promote ways forest management enhances other uses
 - Outreach/education
 - Made in Michigan
 - Communication plan for legislature & policy makers
 - Marketing (collaborate with Pure Michigan)
 - Market timber availability by region
 - Need DNR marketing utilization position
 - Made in Michigan
 - Support K-12 education
 - Next generation of owners/operators
- SUPPLY:
 - Formation of an inter-agency council for timber incl.:
 - MDARD, MDNR, DEQ, LARA, MDOT, MEDC
 - Mark more hardwoods
 - Develop high value products from lower-value hardwoods (R&D)
 - Develop and sustain pulpwood and biomass for TSI
 - Outreach to industry to strengthen supply chain
- ALIGN SUPPLY & DEMAND:
 - Matchmaking service (GIS-based)
 - Supply from fed. Lands
 - Landowner cooperatives
 - Next generation of owners/operators
- EXPORTS:
 - Trade missions
 - Promote world-wide awareness
 - Market analysis
 - FTEs at MEDC & DNR
 - Universities
 - Develop efficient transportation industry education
- POLICY:
 - Improve/Develop cohesive state energy policy
 - Increase harvest on federal lands
 - Coordinate harvest on private lands

CONTACT: Abigail Walls, Director of Communications

PHONE: 517.853.8880 || **CELL:** 313.590.7499 || **EMAIL:** awalls@michiganforest.com