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 Informational hearing March 7, 2012: State timber sale backlog

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2011-12

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Forestry...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (July 2013)

Gary, Tim

From: Rep.Mursau
Sent: Monday, March 05, 2012 12:11 PM
To: Bellin, Charlie; Gary, Tim; Hoey, Joseph; Junck, Linda; Keleher, Marylou; Letzing, Rachel; Rep.Bewley; Rep.Milroy; Rep.Mursau; Rep.Murtha; Rep.Tiffany; Rep.WilliamsM; Rosemeyer, Jake; Schneider, Alicia; Simmons, Nathan; Van de Bogert2, Abigail
Subject: Timber Sale Data (MFL, State & County Forest)
Attachments: Mursau - Public Lds TS narrative 1-12.doc; Public Lands TS data CY09-11 Mursau.xls; PUBLIC T.SALES CY95-2011.xls; Pre 2011 Mandatory Practices.xls; Mursau - 2011 MFL Practices narrative.doc

Committee members and staff,

Please documents from the DNR's Division of Forestry attached to this email. These topics will be covered at Wednesday's Forestry hearing and are worth a read beforehand.

Tim Gary

Wisconsin State Assembly
Office of **Representative Jeff Mursau**
Committee on Forestry, Clerk

From: DeLong, Paul J - DNR [mailto:Paul.DeLong@Wisconsin.gov]
Sent: Sunday, March 04, 2012 10:07 PM
To: Gary, Tim; Rep.Mursau
Subject: FW: Timber Sale Data (MFL, State & County Forest)
Importance: High

Attached are several files that address the issues you raised in your e-mail below. We wanted to get this to you in advance on the hearing so that you can share it with the committee.

Thanks.

Paul

From: Gary, Tim
Sent: Friday, December 23, 2011 1:40 PM
To: DeLong, Paul J - DNR
Cc: Bruhn, Michael L - DNR
Subject: Timber Sales and Backlogs

Paul,

On occasion throughout the past decade, the legislature in general and the chairmen of the Assembly Committee on Forestry in particular have enjoyed looking at timber sale statistics on both public and private lands.

MFL

Can you please provide Chairman Mursau with an update on the number of overdue MFL practices and the average amount of time they are overdue? It would be helpful if the information was accompanied by regular data points since the 2004 changes to MFL and the 2005 elimination of free plans.

State Lands

Can you please provide Chairman Mursau with an update on the number of acres, cords (and/or board

feet) and land types for lands under the control of the Division of Forestry and the Division of Land that are overdue for timber harvest?

State and County Forests

Can you please provide Chairman Mursau with an update on 2009, 2010 and 2011 (when ready) timber harvest data for State and County Forests?

Have they been coming within plus or minus of ten percent? If not, what recommendations have been made to the DNR by the Council on Forestry?

In 2005, it was estimated that there was probably about a \$100 million backlog of timber harvests on State lands. Is it possible to get a similar estimate from DNR at the end of 2011?

Chairman Mursau understands the dynamic nature of the wood market. Please include the nature of the market's impact on the ability to complete timber harvests and the existing backlog.

If you believe that some of this requested information will become available through the natural course of the Division's work within the next six months, please feel free to notify the Chairman of that and I am confident he will be satisfied to wait for such data in the DNR's own due course.

Rest assured that Chairman Mursau does not need these items before the new year begins and you should prioritize this request as less than urgent at the moment.

Happy Holidays and Merry Christmas to you, your families and all the good folks working in your Division and Department.

Cheers,

Tim Gary

Wisconsin State Assembly

Office of **Representative Jeff Mursau**

36th Assembly District, Research Assistant

Committee on Forestry, Clerk

Public Lands – Timber Sale Accomplishments CY2009-2011

(To accompany spreadsheet “Public Lands TS data CY09-11 Mursau” and “Public Forest Timber Sales CY1995-2011”)

State Lands

Can you please provide Chairman Mursau with an update on the number of acres, cords (and/or board feet) and land types for lands under the control of the Division of Forestry and the Division of Land that are overdue for timber harvest?

The attached spreadsheet has two worksheets that will show the “overdue” timber sales by DNR program. It is important to understand what exactly an overdue timber sale is. Typically referred to as a backlogged sale, these are areas that were scheduled to be evaluated for harvest (by the forester) prior to the current year. Areas scheduled for harvest evaluation result in a timber sale most of the time but there are times when the stand does not grow / develop as anticipated. In these cases the forester updates the recon information and sets a new date to evaluate that area for possible harvest. These are called “deferred” acres and they also contribute to the harvest establishment accomplishments on any given year. The attached spreadsheet will show both the actual acres established for sale and these deferred acres.

To determine the *potential* cords and revenue from these backlogged practices the most current year’s public land sales were averaged. An average acre resulted in 17.21 cord equivalents harvested with a value of \$36.27/cord equivalent or slightly more than \$624 / acre harvested. Again, this would be assuming that all of the scheduled practices resulted in a timber sale which is unlikely. Another factor to consider is the forest type of the backlogged practice. It is very common to have timber sales backlogged on wetland types such as swamp hardwood, cedar, swamp conifer, black spruce, tamarack and bottomland hardwood. These types, while still included in the harvest scheduling, are very difficult to market for sale. Very specific frozen ground conditions are needed in many of these areas. These conditions may be met only once every few years so the backlog of wetland species contributes to overstating the immediate potential of backlogged practices. On State land sales wetland types account for approximately 15% of the backlog.

In addition, efforts are underway on non-State Forest state lands (e.g., Wildlife Areas, Fishery Areas, State Parks, Natural Areas, to ensure that Master Plan direction is carried over into the Recon database to more accurately reflect just which stands should be considered for harvest. The department believes the long term harvest goal reflected in the current Recon is somewhat inflated for these lands.

With these caveats, the backlog of *potential* State land timber harvests currently totals:

- 93,300 acres
- \$58,000,000 in stumpage revenue
- 1.6 million cord equivalents

State and County Forests

Can you please provide Chairman Mursau with an update on 2009, 2010 and 2011 (when ready) timber harvest data for State and County Forests?

Completed timber sale harvest data is totaled in the attached spreadsheet titled “Public Forest Timber sales CY1995-2011”.

Have they been coming within plus or minus of ten percent? If not, what recommendations have been made to the DNR by the Council on Forestry?

This question references the Act 166, Healthy Forest benchmark to establish timber sales within 10% of the allowable harvest levels (long term harvest goals). This information is summarized on the worksheet titled Public Summary. For CY09-11

- State Forests (515,000 acres – Div. of Forestry) - averaged 119% of their long term harvest goal over the 3 years. They have purposely been accelerating harvest to try to get at backlogged harvest practices. This has been very successful, having cut their backlog from over 93,000 acres back in 2005 to the current backlog of 27,725 acres. Harvests over the long term harvest goals are permissible and sustainable in that they are only addressing backlogged practices.
- Other State Lands (~1.1 million acres – Div. of Land primarily) – averaged 64% of long term harvest goals. As mentioned on the previous page, efforts are underway to ensure that Master Plan direction is carried over into the Recon database to more accurately reflect just which stands should be considered for harvest. Some stands are purposely excluded from harvest (ecologically sensitive, endangered & threatened species, aesthetics, etc. in the Master Plan) and in some cases those stands have not been excluded from harvest scheduling in the Recon database. Therefore, the department believes the long term harvest goal is somewhat overstated for these lands. Great strides have been made on these lands but there still is some work that remains, both to develop a more precise figure regarding acres under management, and to complete management consistent with master plans.
- The total for all State lands combined (State Forests & Other State lands) is 89% of long term harvest goal for CY2009-11.
- County Forests (2.35 million acres) – averaged 98% of long term harvest goals. County Forests have been quite close to their long term harvest goals for several years. There remains a backlog of harvests on a few of the forests however. Collectively, the wetland types including swamp hardwood, cedar, black spruce, tamarack and swamp conifers account for 1/3 of the backlog.

In 2005, it was estimated that there was probably about a \$100 million backlog of timber harvests on State lands. Is it possible to get a similar estimate from DNR at the end of 2011?

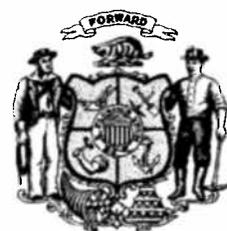
Based on the assumptions and caveats stated above, the potential stumpage revenue attributed to backlogged harvests on State lands would now be approximately \$58 million.

Chairman Mursau understands the dynamic nature of the wood market. Please include the nature of the market's impact on the ability to complete timber harvests and the existing backlog.

The markets have held up relatively well. Most thankfully, they were able to handle a great deal of salvaged wood stemming from the July 2011 blowdown in northwest Wisconsin. Much of this was softwood timber. The work that went into getting these areas salvaged, both by the foresters and logging contractors, is noteworthy. Some work remains but a remarkable amount of wood has been salvaged to date. Nearly all public land sales continue to sell.



WISCONSIN STATE LEGISLATURE



PUBLIC FOREST TIMBER SALES CY1995-2011

COUNTY FORESTS						
Completed Sales						
Year	# of Sales	Acres	\$ Stumpage	MBF	Cords	Cd. Equiv.
1995	1066	54,022	\$10,495,187	16,450	799,372	838,726
1996	889	44,025	\$11,262,245	9,622	712,457	735,775
1997	863	44,411	\$13,444,619	11,920	689,692	719,817
1998	666	36,388	\$11,824,737	8,732	543,798	565,156
1999	835	43,721	\$15,431,106	13,036	662,224	694,693
2000	812	42,234	\$16,550,136	12,040	618,446	647,723
2001	752	40,543	\$16,047,381	13,394	611,022	642,671
2002	778	41,235	\$17,976,414	11,852	614,645	642,142
2003	824	48,225	\$21,270,916	13,700	696,396	728,975
2004	804	44,943	\$21,496,219	15,858	693,613	730,027
2005	758	44,800	\$23,583,189	17,539	689,054	732,417
2006	687	41,779	\$24,901,256	15,169	640,953	677,349
2007	751	44,199	\$27,227,721	19,454	652,900	700,928
2008	808	50,238	\$30,355,825	17,273	787,719	829,431
2009	793	47,765	\$30,287,089	17,509	797,521	852,657
2010	800	48,808	\$29,643,054	17,292	796,119	834,916
2011	743	49,193	\$30,199,644	17,609	800,913	840,079
	13,629	766,529	\$351,996,738	248,449	11,806,844	12,413,482

Ave. 802 45,090 \$20,705,690 14,615 694,520 730,205

STATE FORESTS						
Completed Sales						
Year	# of Sales	Acres	\$ Stumpage	MBF	Cords	Cd. Equiv.
1995	111	10,364	\$2,387,918	2,470	170,676	177,210
1996	89	8,114	\$2,099,306	2,427	128,179	135,178
1997	77	5,979	\$1,987,151	951	94,305	97,085
1998	66	5,806	\$2,719,765	1,203	90,367	93,513
1999	67	4,383	\$1,617,435	927	67,235	70,813
2000	77	4,912	\$2,212,708	1,063	66,526	69,323
2001	120	8,336	\$4,332,195	4,817	123,821	135,554
2002	113	6,318	\$3,325,968	2,870	92,076	99,476
2003	74	5,274	\$3,062,599	4,106	81,621	91,504
2004	63	4,437	\$2,584,769	4,118	69,844	79,455
2005	91	5,925	\$3,980,353	2,172	107,135	112,523
2006	65	5,918	\$4,479,904	1,596	97,259	101,665
2007	63	5,590	\$3,714,148	2,181	88,735	95,740
2008	97	9,130	\$6,068,549	4,464	137,694	150,736
2009	82	6,422	\$3,497,586	2,583	104,586	113,107
2010	105	12,628	\$8,606,554	5,532	224,176	236,824
2011	98	10,974	\$7,358,082	3,704	186,993	195,455
	1,458	120,510	\$64,014,970	47,184	1,931,228	2,055,161

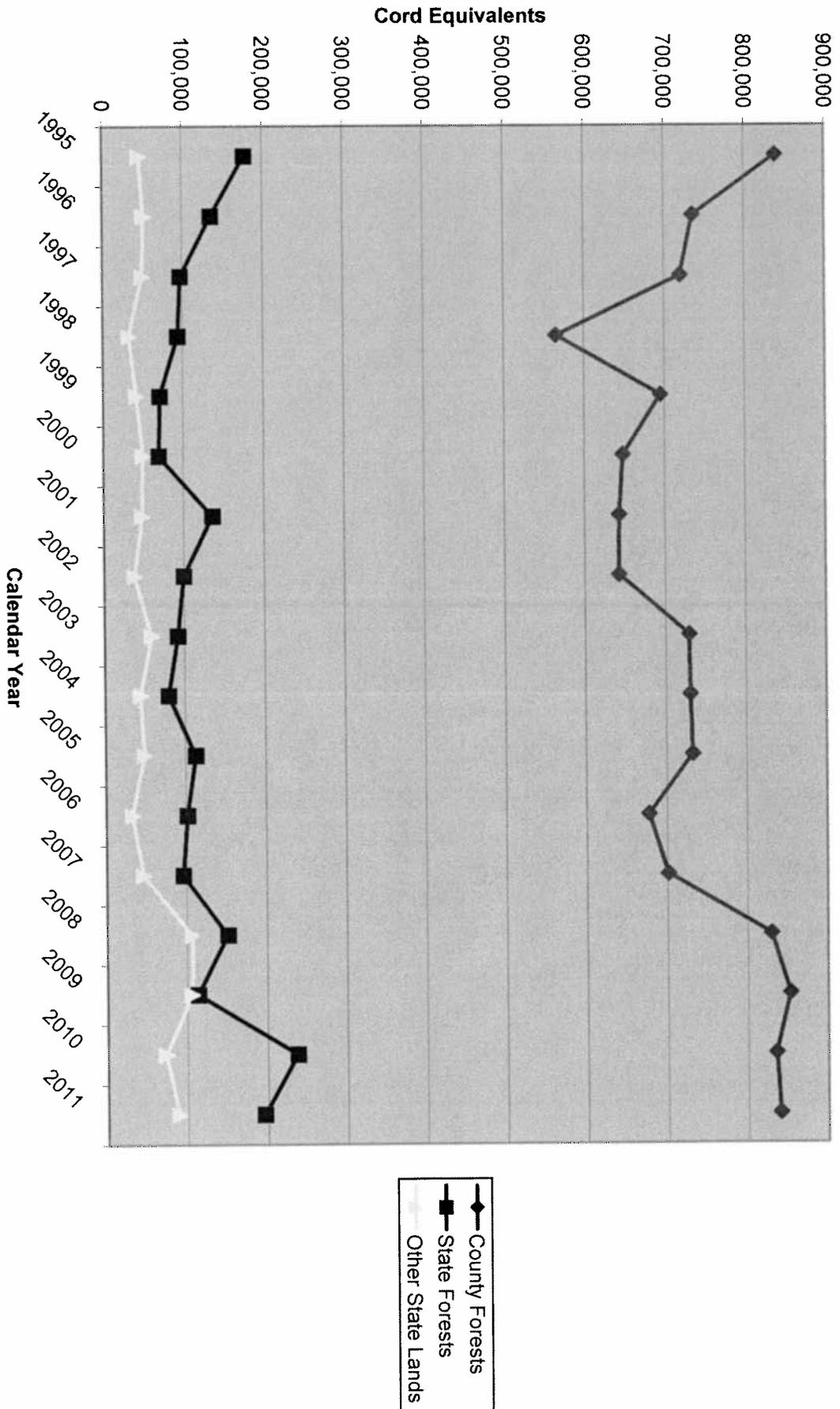
Ave. 86 7,089 \$3,765,586 2,776 113,602 120,892

OTHER STATE LANDS						
Completed Sales						
Year	# of Sales	Acres	\$ Stumpage	MBF	Cords	Cd. Equiv.
1995	104	2,899	\$622,109	937	44,262	46,385
1996	95	3,485	\$958,703	1,753	47,954	51,865
1997	99	2,990	\$1,012,765	765	48,108	49,824
1998	73	1,864	\$667,432	471	32,080	33,166
1999	95	2,676	\$1,015,789	1,147	39,403	42,024
2000	89	3,077	\$1,200,219	3,144	42,329	49,621
2001	78	2,683	\$1,256,018	1,103	45,655	48,096
2002	57	2,167	\$1,140,196	552	36,906	38,183
2003	92	3,056	\$1,571,949	910	56,687	58,784
2004	63	2,568	\$1,208,547	795	42,555	44,353
2005	67	2,506	\$1,388,655	1,060	46,258	48,596
2006	58	1,940	\$1,126,435	1,325	29,931	33,243
2007	69	2,772	\$1,731,410	943	44,305	46,427
2008	128	5,953	\$3,550,621	1,860	102,315	106,474
2009	154	5,709	\$3,126,522	2,641	100,297	106,016
2010	93	3,804	\$2,189,607	1,767	69,116	73,062
2011	117	4,738	\$2,923,693	1,928	85,035	89,330
	1,531	54,887	\$26,690,670	23,101	913,196	965,449

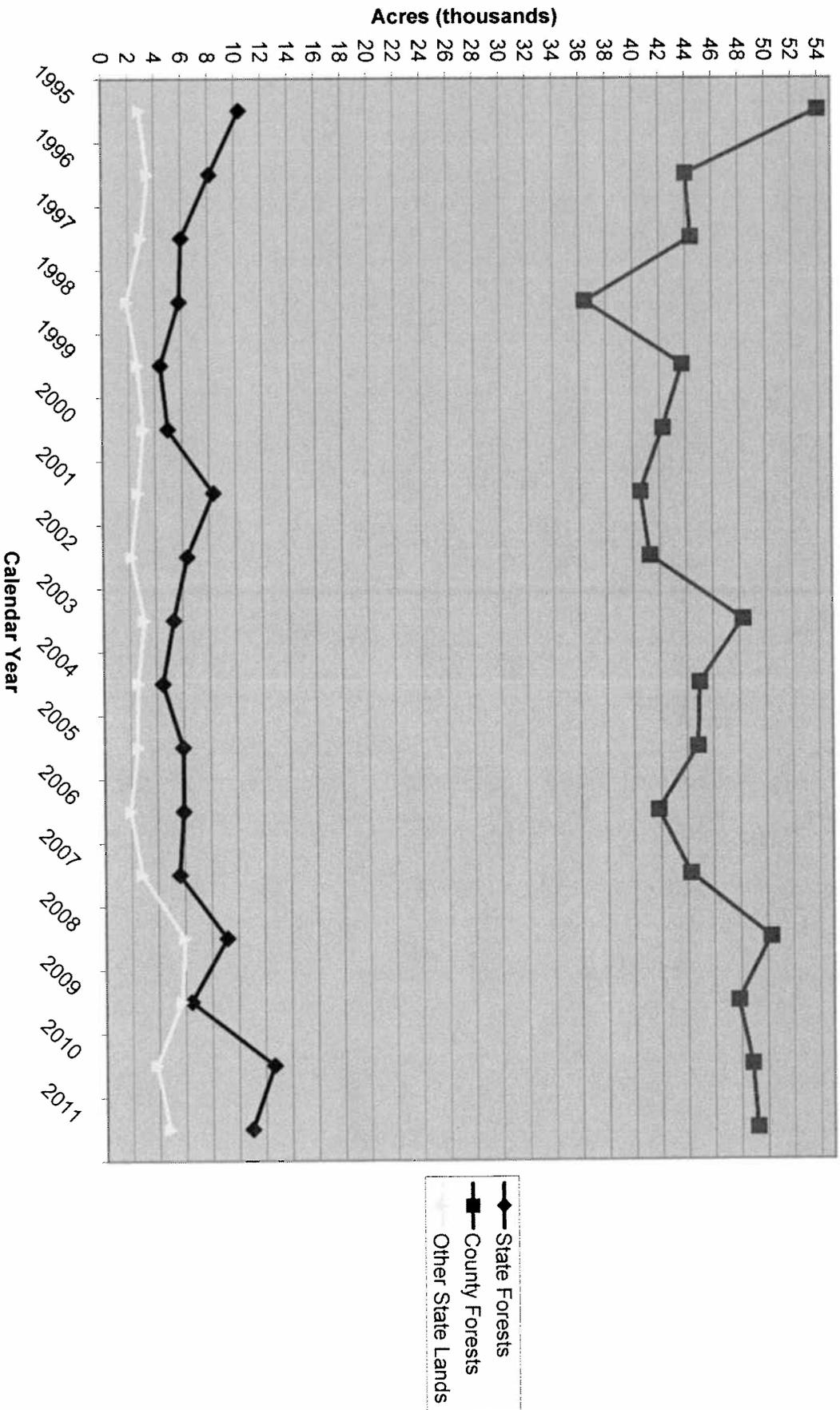
Ave. 90 3,229 \$1,570,039 1,359 53,717 56,791

* OSL Rpt. 28B - 36A 1/18/12 JB

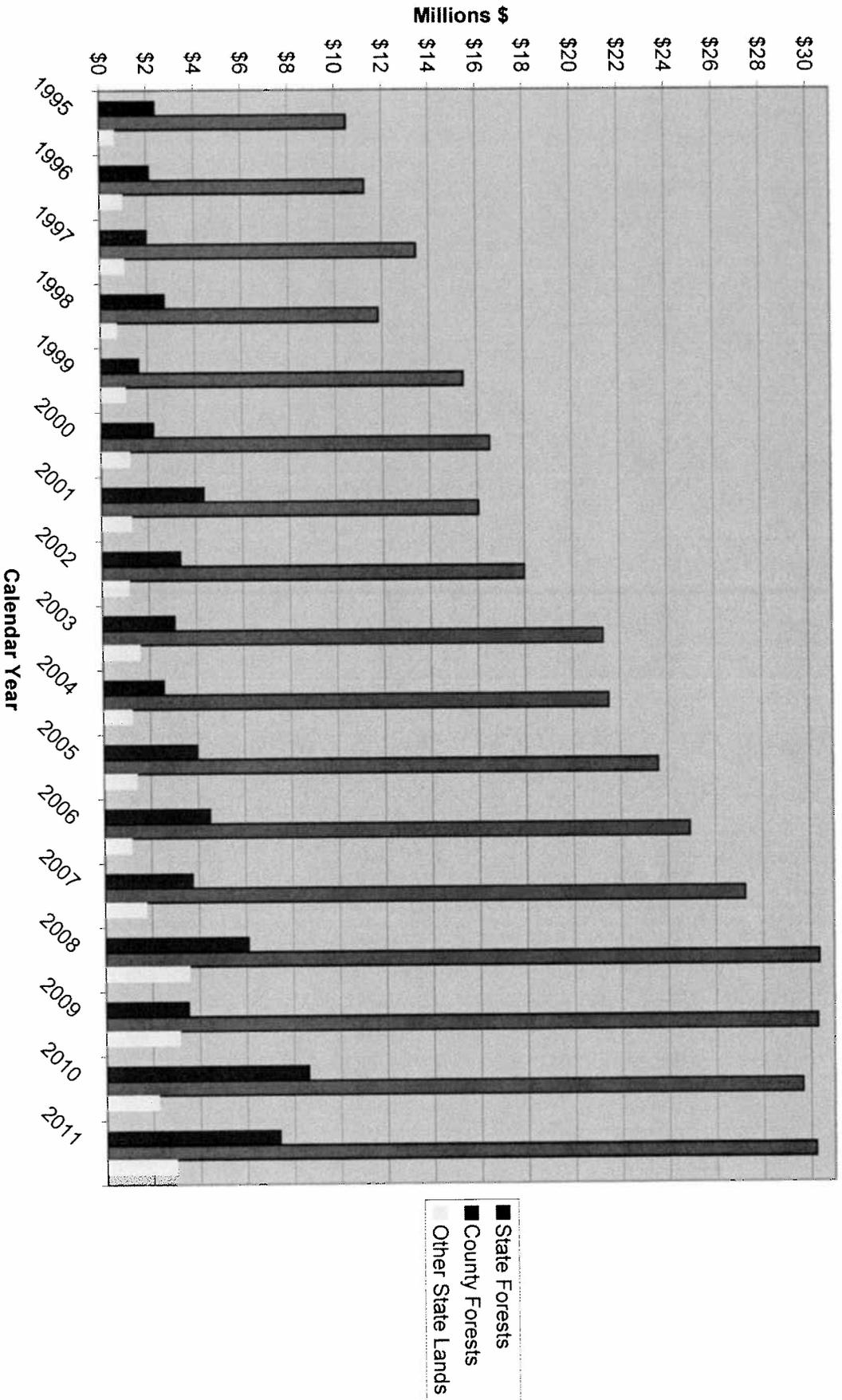
Public Lands - Completed Timber Sale Volume



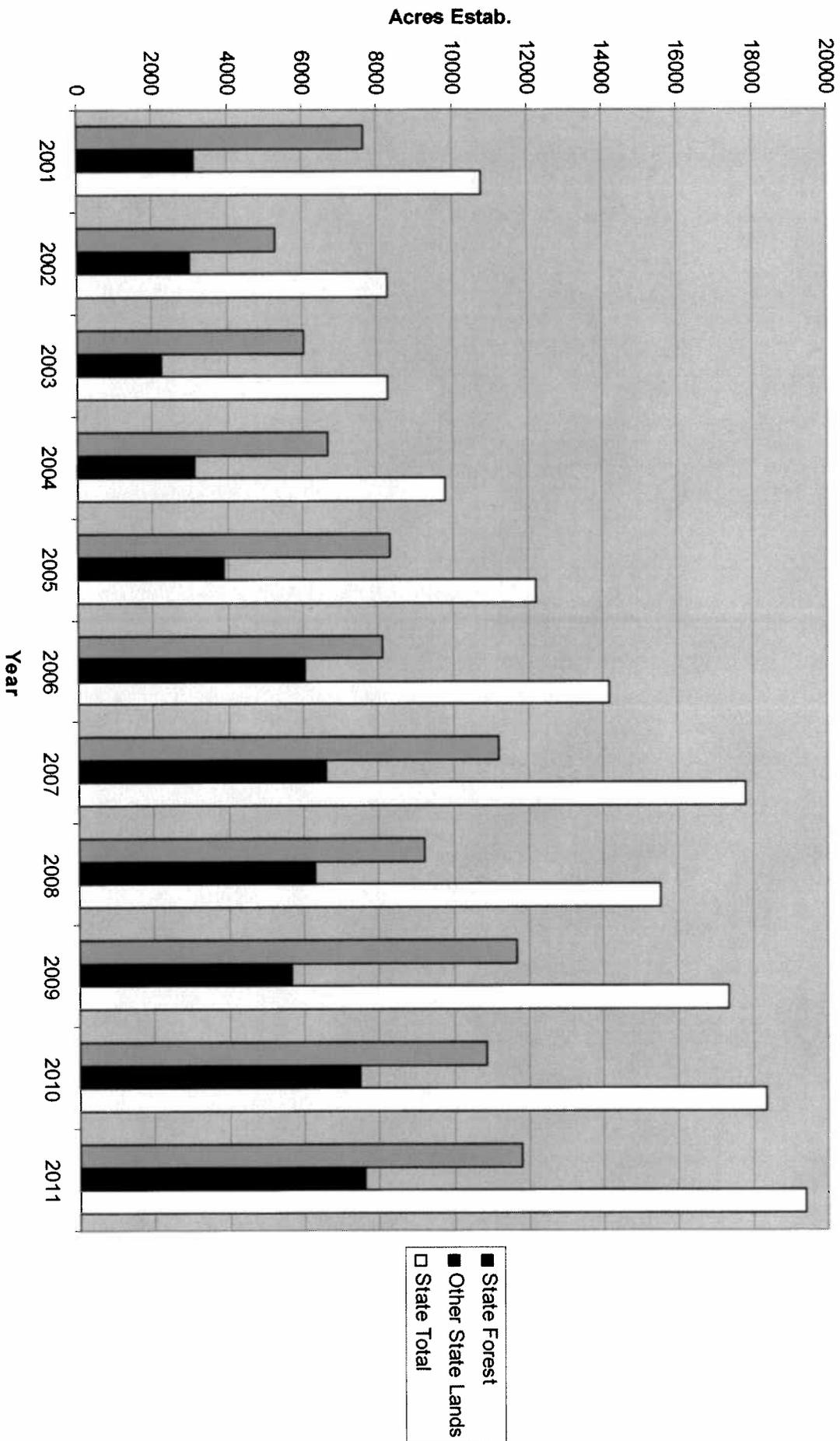
Public Lands - Completed Timber Sale Acreage



Public Forests - Completed Timber Sale Stumpage Revenue



State Land Timber Sale Establishment



Managed Forest Law – Status of Mandatory Harvest/Thinning as of January 2012 (To accompany spreadsheet “Pre 2011 Mandatory Practices”)

Request: Can you please provide Chairman Mursau with an update on the number of overdue MFL practices and the average amount of time they are overdue? It would be helpful if the information was accompanied by regular data points since the 2004 changes to MFL and the 2005 elimination of free plans.

The spreadsheet contains four tabs: “Pre 2011 Man Practices-Summary”, “All Order Entry Years”, “2004 and Earlier Detail” and “2005 and Later Detail”.

Pre 2011 Mandatory Practices-Summary: Provides an individual summary table for each of the other three spreadsheets.

- 1.) The top table labeled “Statewide-All Order Entry Years” shows all MFL participants (Orders effective 1/12010) who currently have a mandatory timber harvest or thinning which is not yet established for sale. Landowners who entered lands into MFL effective 1/1/2011 that have a mandatory practice scheduled for the first year (2011) of the Order are not included since the data provided was collected from our field foresters in early January 2012.
- 2.) The middle table “Statewide Order Entry Years 2004 and Earlier” shows the mandatory harvest or thinning which have not yet been established for MFL lands enrolled between 1986 -2004.
- 3.) The last table “Statewide Order Entry years 2005 and Later” shows the mandatory harvest or thinning which have not yet been established for MFL lands enrolled between 2005 – 2010.

Standard procedure for an MFL participant with a mandatory harvest/thinning is described in the table below as follows: The example is for a **mandatory practice scheduled for 2011**.

IN COMPLIANCE		OUT OF COMPLIANCE
2010	2011	Jan. 1, 2012 (during 2012)
1st Notification to Landowners (spring)	2nd Notification to Landowners (spring)	Initiate 1st step of enforcement. DNR determines status of practice, offers to establish sale if no Cooperator has picked this work up.
Official Referral to Cooperating Foresters	Landowner is again on referral list	Continue with 2nd step of enforcement.
Practice Due Dec. 31, 2011	Practice Due Dec. 31, 2011	Continue with 3rd step, including NOI and certification for non-compliance fee.

All Order Entry Years: Lists spreadsheet details the landowner information which is sorted by year the practice is due and then by the county the MFL Order is located in. Acres are sub-totaled by year and county. The bottom contains a summary table of the entire worksheet.

2004 and Earlier Detail: This spreadsheet shows a subset of the “All Order Entry Years”, those mandatory practices not completed on lands enrolled in MFL from 1986 to 2004. The bottom contains a summary table of the entire worksheet.

2005 and Later Detail: This spreadsheet shows a subset of the "All Order Entry Years", those mandatory practices not completed on lands enrolled in MFL from 2005 to 2010. The bottom contains a summary table of the entire worksheet.

General Conclusions:

- Backlog harvest/thinning practices average less than 2 years old. All mandatory harvest/thinning practices have been referred to private consultant foresters but are not taken off our list as being past due until the timber sale is established in the field and an approved Cutting Notice is on file at the local foresters office. If a Cooperating Forester or logger has agreed to do the timber sale but has not sent in an approved MFL Cutting Notice, it still shows as past due in our system and thus on these spreadsheets.
- A certain number of practices are much older, including one up to 13 years old. An explanation of those practices 11 years or more past due is included as a red comment tab in the box. All practices (old or new) have been referred to consultant foresters, if a consultant foresters or logger can not be found by the landowner to do the practice, the DNR will establish the timber sale and assist the landowner with trying to sell the timber sale. The vast majority of older uncompleted practices are difficult to sell due to any number of reasons, including: small volume, difficult access, poor quality timber, winter only harvesting restrictions, small isolated sale, steep terrain, etc.
- There is no discernable difference between the 2004 and earlier MFL entry years, and the 2005 and later entry years. The larger number of backlog practices in 2004 and earlier is a result of more years and practices associated with this time frame versus the 2005 and later time frame.

Program

2010			Wildlife				Fisheries			
2010	2011	3 Yr. Total	2009	2010	2011	3 Yr. Total	2009	2010	2011	3 Yr. Total
10,865	11,776	34,322	2,966	3,488	2,949	9,403	1,320	1,850	1,837	5,007
1,286	3,206	7,707	336	507	1,746	2,589	130	118	1,482	1,730
12,151	14,982	42,029	3,302	3,995	4,695	11,992	1,450	1,968	3,319	6,737
11,740	11,699	35,186	7,300	7,332	7,141	21,773	2,850	2,874	2,843	8,567
104%	128%	119%	45%	54%	66%	55%	51%	68%	117%	79%
		27,725				27,385				18,146
		477,147				471,296				312,293
		\$17,306,131				\$17,093,900				\$11,326,855

2010 (annual goal) - Report 201PG (long term goal) - WisFIRS

jb 1-27-12

2010 (annual goal) x Ave. cord equivalents/acre from CY2011 State & County Forest average (17.21 CE/ acre harvested)- from Report 36A
 2010 (annual goal) x Ave. cord equivalents/acre from CY2011 State & County Forest average (\$36.27/ CE) - from Report 36A

1 backlog for all State Lands

- 1,000 acres
- 101,000 acres
- 3,300 acres

1 harvest accomplishments on all State Lands for 2009-2011 = 89%

Facilities & Lands				Endangered Resources			
2009	2010	2011	3 Yr. Total	2009	2010	2011	3 Yr. Total
969	1,926	1,739	4,634	50	50	414	514
42	454	605	1,101	0	0	0	0
1,011	2,380	2,344	5,735	50	50	414	514
1,173	2,272	2,225	5,670	419	502	513	1,434
86%	105%	105%	101%	12%	10%	81%	36%
			3,938				3,338
			67,773				57,447