LAKE STATES
Region

Issues & Trends

Markets
- After a shaky start to the winter logging in some parts of the region, the season ended strong with cold temperatures that granted access to lowland conifers and hardwoods that required frozen roads to access for harvest. This allowed wood buyers to build inventories going into the spring break-up period.
- The long winter proved to be beneficial as the spring was mostly cool and wet. Strong inventories allowed for a bridging of the gap until summer harvest began. June showed some promise as trees were leafed out and the evapotranspiration process started to dry the forest floor, allowing logger access to their forests.
- Biomass markets in the region remain a challenge as there is a surplus of biomass in the region.
- The Minnesota DNR released the MN Public Stumpage Review for 2018. This report shows that a 1.4 percent increase in public timber volume offered and a year-over-year decrease for stumpage price of 10 percent for all species in the state.
- The Lake States Region continues to work with the Forest Service to increase the use of Good Neighbor Authority (GNA) and Stewardship contracts to increase timber sales. The Lakes States Region is the top producer of GNA timber volume in Region 9 of the Forest Service. The use of these authorities has contributed to significant increases in Forest Service timber outputs over the last two years. These authorities now account for nearly 40 percent of Forest Service timber outputs in the region. FY2019 additionally shows a YOY increase in timber outputs.
- During August, the Duluth News Tribune published a story about a MN DNR internal letter that was leaked to the media. In a letter to the Commissioner, MN DNR wildlife biologist stated that the DNR publicly agreed to harvest rates through a model that were too high. The signatories of the letter voiced concerns about old forests and larger trees, both of which are increasing in the state. The DNR harvest rate was determined through an extensive forest planning process that involved input from all divisions of the MN DNR. The actual harvest rates projected by the model were reduced from approximately 1.2 million cords to 870,000 cords to address, in part, concerns raised by the DNR Division of Wildlife. The DNR’s newly elected Governor and the newly appointed Commissioner’s response to this letter will be a bellwether of the administration’s position regarding support for forest management. The previous Commissioner and Governor supported the planned and agreed to harvest rates.

Wisconsin Blowdown
- On July 19-20, a wind storm caused significant damage to Wisconsin forestlands located in the northwest and northeastern part of the state. In total, more than 285,000 acres of forestlands were damaged. A significant amount of the forest road network was also blocked by the blown down trees. Public land managers, loggers, and the forest industry are working to assess the damage and salvage the blown down timber.

Transportation
- Transportation remains an issue with some loggers reporting idling equipment during the winter logging season due to lack of truck driver availability. The American Trucking Associations reports that the driver shortage will continue to widen over the next decade if solutions are not found.
- Wisconsin Congressional members have taken the lead on the Safe Routes Act in both the House and Senate. Representative Gallagher and Senator Johnson, both from Wisconsin, are lead sponsors in the respective chambers.

Bat HCP
- The Lake States Region continues to collaborate with the Departments of Natural Resources in Michigan, Minnesota, and Wisconsin on the Lake States Region Bat Habitat...
Conservation Plan (HCP). Our goal is to create an HCP that is reasonable and allows forestry to continue as usual business. In February, the U.S. Fish and Wildlife Service reviewed the draft HCP submitted by the three DNRs. The DNRs are reviewing the comments from the USFWS, and a document should be released to the public to review in the last quarter of 2019.

**Logger Focus Group**
- In April, the Lake States Region held a focus group for loggers. The focus group participants were asked a series of questions that were designed to generate discussions on issues of concern or importance that impact their businesses. The issues identified as most pressing by the group were increasing equipment costs, trucking, employee retention and, stumpage availability. FRA worked with the University of Minnesota and prepared a Technical Release of the results of the focus groups. These results can be found on the FRA website.

**Forest Service**
- The Forest Service, the State of Minnesota and St. Louis County are discussing a Shared Stewardship Plan on 500,000 acres in the Northeast part of the state. The goal is to begin coordination on broader forest management on a larger scale to address forest health risk and opportunities for collaborative management across ownerships.

**What’s on the Horizon**
- The Lake States Region Annual Meeting is scheduled for October 7-9 in Duluth, MN. Speakers have been confirmed from Minnesota Power, NCASI, University of Minnesota, and USFS Forest Products Lab. A field tour will also be held during the meeting.