VITAL FORESTS/VITAL COMMUNITIES Redux: So What? Now What?

A Framing Paper about Minnesota’s Forests and A Report of Meeting Outcomes

Prepared by Dovetail Partners

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Background

In 2003, the Blandin Foundation undertook the Vital Forests/Vital Communities (VF/VC) Initiative in recognition of the importance of Minnesota’s forests and forest industries to the health of forest-based communities. Many of Minnesota’s communities, especially in the northern third of the state, have a history, identity, and economy strongly shaped by forests. The VF/VC Initiative continued into 2009, and, during the nearly 6 year period of the Initiative, many projects and events were sponsored. An important part of the VF/VC Initiative was convening key partners and stakeholders to Minnesota’s forest sector to consider likely scenarios and possible futures. One of the Initiative’s projects involved a series of study tours dubbed “Seeing the Forest AND the Trees: How to Make the Most of Minnesota’s Woods”. This effort included study tours in the Great Lakes region as well as travel to Finland and Sweden in September 2008.

In October 2013, with nearly five years and a major economic recession occurring since the conclusion of the VF/VC Initiative, stakeholders and interested parties were invited to reconvene and reflect on what has happened since the Initiative concluded, and how Minnesota’s forest future is currently viewed. A framing paper was prepared to provide context for the gathering held October 23, 2013 in Cloquet, Minnesota. Accomplishments and outcomes from the VF/VC Initiative were briefly summarized, and a snapshot of the current state of Minnesota’s forest sector and recent areas of change was provided. The paper also raised questions that stakeholders and participants in the 2013 event were invited to consider. This document includes the framing paper that was finalized with input from event participants. This document also includes a report of outcomes from the event held on October 23rd.

VF/VC Accomplishments and Outcomes

In 2003, the VF/VC Initiative was launched with a series of listening sessions that provided input to the overall design and vision of the effort. Ongoing input was provided through a Board of Advisors made up of representatives of industry, higher education, environmental NGOs, and government land management agencies.

From the beginning of the Initiative, several goals and objectives were identified, including an intention to comprehensively address key factors relevant to the health of the forest products sector, forest-dependent communities and the forests of Minnesota.
The Initiative’s objectives focused on three major categories:

- forested land base,
- forest management, and
- economic development.

A number of projects were supported through the VF/VC Initiative that generally fell within the following categories:

- Supporting conservation easements to protect the forested land base;
- Enhancing forest productivity through education and training of foresters and harvesting professionals;
- Facilitating strategic consideration of alternative forest futures and mechanisms for shifting direction;
- Increasing participation in third-party certification by land managers through group certification and technical assistance;
- Engaging non-industrial private forest land owners to increase the number of acres of forests under sustainable management;
- Assisting private forest landowners with succession planning;
- Raising public awareness of increasing forest fragmentation and associated risks to forest and wildlife management;
- Branding for Minnesota-grown forest products and creation of new markets for those products;
- Increasing awareness of the potential contribution of forest biomass to local community energy self-sufficiency, including district heating systems.

Through the VF/VC Initiative, the Blandin Foundation invested $14.8 million in the form of grants and $1.9 million in additional program costs in support of 29 major projects, which leveraged at least $40 million of other public and private funds. The initiative engaged thousands of collaborating individuals and organizations through periodic conferences, events, study tours, and training opportunities. With the addition of the video production efforts, including History of the Land aired on public television, the number of impacted individuals exceeds 500,000. A subsequent documentary based on the study tours, “Forest and Minnesota’s Economy”, continues to air on the Minnesota channel. New and better working relationships developed across interests, affiliations and organizations through the VF/VC activities.

### Working Forest Conservation Easements

The sale of large blocks of industrial forest lands called for coordinated conservation action by the VF/VC Initiative and many partner organizations. In 2008, DNR established the Minnesota Forests for the Future Program (MFF) to cooperate with state, federal and private partners on efforts to acquire forest conservation easements, primarily on large blocks of private forest lands. As of 2013, the MN DNR has purchased forest conservation easements on 365,483 acres of private forest lands through the Federal Forest Legacy program and the State Forest Legacy Program. The MFF and its partners are exploring many potential easement opportunities. The long-term target is 530,000 acres of forest easements by 2034.
At the start of the initiative, several indicators and metrics were identified to help measure the impact of the efforts. These indicators and their metrics are summarized in Table 1, which illustrates conditions at the start of the VF/VC Initiative, when it concluded, and currently.

### Table 1. VF/VC Impact Indicators with Metrics for 2003, 2009, and 2013

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Certified non-industrial private forestlands (acres)¹</td>
<td>4,059</td>
<td>9,303</td>
<td>13,165⁵</td>
</tr>
<tr>
<td>Certified public forestlands (acres)²</td>
<td>405,000</td>
<td>7,422,841</td>
<td>7,502,094</td>
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<tr>
<td>Private stewardship plans³</td>
<td>6,174</td>
<td>9,122</td>
<td>19,735</td>
</tr>
<tr>
<td>Area covered by stewardship plans (acres)⁴</td>
<td>707,238</td>
<td>1,637,053</td>
<td>2,110,844</td>
</tr>
<tr>
<td>Area covered by conservation easements held by DNR (acres)⁵</td>
<td>18,458</td>
<td>89,684</td>
<td>365,483⁹</td>
</tr>
<tr>
<td>Graduates from a field-based course in ecologically-based forestry⁶</td>
<td>0</td>
<td>96</td>
<td>144</td>
</tr>
<tr>
<td>Certified Master Loggers⁷</td>
<td>0</td>
<td>46</td>
<td>44</td>
</tr>
</tbody>
</table>

¹ Data gathered by authors, Source: info.fsc.org
² Data provided by MN DNR, August 2013
³ Data provided by MN DNR, August 2013
⁴ Data provided by MN DNR, August 2013
⁵ Data provided by MN DNR, August 2013. Available online at: https://webapps8.dnr.state.mn.us/outcomes_reporting/conservation_agenda/detail/554
⁶ Data provided by the Sustainable Forestry Education Cooperative (SFEC), August 2013
⁷ Data provided by the Minnesota Logger Education Program (MLEP), August 2013
⁸ The total area of certified private land in Minnesota is 927,059 acres, inclusive of industrial lands.
⁹ Total includes 351,208 acres of permanent forest conservation easements. Data provided by MN DNR and available online at: https://webapps8.dnr.state.mn.us/outcomes_reporting/conservation_agenda/detail/561

As shown in Table 1, from 2003-2013 there has been change occurring in Minnesota’s forests. During this time, public forestlands managed by the MN DNR and members of the Minnesota Association of County Land Commissioners (MACLC) achieved third-party certification. Private, non-industrial forest certification has also expanded with growth in group certification and the certification of lands managed by The Nature Conservancy. Stewardship planning, conservation easements and forest and logger training have also grown since 2003.

In addition to the indicators summarized in Table 1, there were additional impacts from the VF/VC Initiative. Accomplishments include support for the establishment of a branded Minnesota forest products sector; production and public broadcast of a video that conveyed key messages; and expanded focus of forest-based economic development activity to specifically

### Goods from the Woods – A Minnesota Marketplace

![Goods from the Woods – A Minnesota Marketplace](image)
include bioenergy and bioeconomic development. The VF/VC initiative helped establish the MyMinnesotaWoods website as a resource for private woodland owners, supported creation of the Minnesota Master Logger Certification program, funded intermediate treatment workshops, facilitated third-party certification for six northern Minnesota counties, and funded the Minnesota Wood Campaign with its True North Woods branding, group chain-of-custody certification and Goods From the Woods marketplace (see photo, previous page). Although these accomplishments are closely linked with the VF/VC Initiative, it is important to note that they resulted from the efforts of many collaborating organizations. In 2006, in recognition of undertaking and implementing the VF/VC Initiative, the Blandin Foundation received the National Council of Foundation’s Paul Ylvisaker Award for Public Policy Engagement.

**Seeing the Forest AND the Trees Study Tour**

The VF/VC Initiative’s convening efforts included a series of tours through a project called “Seeing the Forest AND the Trees: How to Make the Most of Minnesota’s Woods”. This work included study tours in the Great Lakes region (Minnesota and Ontario) as well as travel to Finland and Sweden in September 2008. More than 45 forest sector stakeholders participated in the project, including representatives from the Forest Service, Minnesota Department of Natural Resources, University of Minnesota, Minnesota Forest Resources Council, and the Minnesota Association of County Land Commissioners. Policy makers, industry representatives, and non-governmental and environmental organizations also were represented.

The study tour project had several key learning objectives:

- Increase the quality and value of forests and the products that come from the land in Minnesota and other Lake States;

- Optimize the balance of forest benefits, including timber, bioenergy and non-traditional forest products, ecosystem services, biodiversity, and public access and recreation; and

- Develop a shared vision and public policy recommendations for forest management in Minnesota, including increased productivity and environmental and landscape sustainability.

To address these objectives, project participants engaged in learning tracks related to exploring different approaches to forest productivity. These learning tracks included public policy, public engagement, systems change, private forest landowners, environmental review and permitting, and research and development related to bioenergy and biochemicals. A key learning strategy throughout the project was to examine alternative approaches used by forestry decision makers in other regions. Specifically, the project focused on the regions of Minnesota, Ontario (Canada), Finland and Sweden for comparison.
At the end of the year-long study tour project, one of the outcomes was an articulated and endorsed vision for productive forests in Minnesota:

“Minnesota will increase forest productivity by making the necessary investments to improve the quantity, quality and value of our region’s forests and the forest products and benefits they provide.”

Participants also agreed that the concept of forest productivity has six elements:
1. Quantity, quality and accessibility of harvestable timber;
2. Quantity and quality of non-timber products - including non-traditional forest products and bioenergy outputs;
3. Ecosystem integrity¹;
4. Ecosystem resilience²;
5. Forest health – including control of insect, disease, invasive species; and
6. The ability of forests to provide social benefits such as recreation and public access.

Lastly, participants identified key concepts based on observations informed by tour participation:
• Cultural context matters; we can adapt, but not necessarily adopt, others’ best practices.
• Doing a better job of engaging family forest and other non-industrial private forest landowners (NIPFs) is key to increasing the productivity of Minnesota’s forests.
• Intermediate treatments can be an effective tool for increasing forest productivity...as long as we don’t go overboard.
• Minnesota should do more to use wood for energy...district heating projects in particular.
• Increasing forest productivity will require increased investment in forests.
• We must think globally; our forests know no state or national boundaries.
• Science is the best tool to help the public and policy makers understand and embrace the role forests can play in mitigating global climate change.
• The biodiversity of Minnesota’s forests is an important asset.
• Deepened relationships within and external to the forest sector will help in achieving a better future for Minnesota’s forests.

These key concepts served to identify the immediate and lasting impacts of the Initiative. One of the impacts articulated as a key concept is the importance of the relationships that were created, developed, or deepened because of the Initiative through the various events, projects and opportunities that were offered. Participant responses gathered throughout the Initiative, including conference evaluations forms, as well as final evaluations, surveys and interviews, emphasized the value of these relationships.

**Minnesota’s Changing Forest Industry**

In 2003, when VF/VC began, the state’s forest products industry included 5 pulp and paper mills, 6 OSB mills (including one siding mill), 1 hardboard mill and 6 producers of renewable energy from wood (Table 2). These 18 entities were the largest consumers of Minnesota roundwood.

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¹ Defined as the ‘capacity to support and maintain a balanced, integrated, adaptive community of organisms having a species composition, diversity and functional organization comparable to that of natural habitats of the region’
² Defined as the ‘capacity of an ecosystem to tolerate disturbance without collapsing into a qualitatively different state that is controlled by a different set of processes’
Today, there are 24 significant forest industry manufacturing facilities in the state. In addition to the facilities identified in Table 2, Minnesota has at least 500 sawmills, including 32 that produce at least 1 million board feet annually. The state also has an estimated 150 associated specialty businesses and over 800 secondary manufacturers, including cabinets, millwork, windows, doors, shims, and other diversified wood products.

| Table 2. Minnesota’s Forest Industry Manufacturing Facilities, 2003 and 2013 |
|----------------------------------|------------------|------------------|
|                                   | 2003  | 2013* |
| Pulp and Paper Mills             | 5     | 4     |
| Recycled Pulp & Paper            | n/a   | 3     |
| OSB Sheathing/Siding             | 6     | 2     |
| Specialty                        | 1     | 1     |
| Renewable Energy Producers       | 6     | 14    |
| **Total**                        | **18**| **24**|

*2013 data current as of January

A chain of events from 2003-2013 dramatically changed the face of Minnesota’s forest industry:

- August 2004, Potlatch sells its three OSB mills to Ainsworth Lumber Company
- In 2004, Boise Cascade sells its lands and mill to timberland investors and venture capitalists, respectively, and the mill is uncoupled from the land base.
- September 2005, Ainsworth closes Grand Rapids and Cook OSB mills and closes one production line at its Bemidji mill.
- January, 2006, Potlatch converts from an integrated forest products company to a Real Estate Investment Trust
- 2006 statewide harvest levels drop 500,000 cords from previous year.
- Spring 2007, Ainsworth Cook mill reopens
- September 2007, Trus-Joist/Weyerhaeuser engineered lumber mill in Deerwood closes
- September 2008, UPM launches an auction with investors for all its land, out of view of the public, on a parallel track with exploring a conservation easement sale.
- January 2009, Ainsworth Cook and Bemidji OSB mills close permanently
- 2010 statewide harvest levels drop by about 1,000,000 cords (35%) as compared to 2005.
- May 2012, a massive fire at the Sartell, Verso paper mill results in permanent closure of the mill, loss of 435 jobs, and further decline in pulpwood consumption.
- July 2012, Forest Capital Partners, owner of former Boise lands, sells all 300,000 acres to Molpus, another timberland investment management organization, based in Mississippi.
- August 2012, Georgia-Pacific closes its hardboard mill in Duluth, completing a downsizing that began years earlier with closure of its Bemidji hardboard facility.
- March 2013, Wausau Paper, citing global competition, announces closure of its’ Brainerd paper mill (134 jobs lost)
- May 2013, Boise, Inc. announces the permanent closure of two of its four paper machines at its International Falls mill, resulting in the loss of 300 jobs and reduced pulpwood demand.
- In September 2013, Boise, Inc. is sold to Packaging Corporation of America (PCA).
- Statewide harvest levels may dip to 2.5 million cords or below in 2013 (as estimated in June 2013).
Emerging Areas of Business Opportunity?

On the positive side, Sappi’s Cloquet kraft pulp and paper mill has received $170 million in investment over the past several years for conversion to a specialized cellulose production facility. The volume of wood used (360,000 cords annually) will be about the same as previously, though the species mix will change. Potlatch has made investments to increase its drying capacity by constructing an additional kiln at their Bemidji facility and reports a doubling in balsam fir deliveries. Louisiana Pacific Corporation recently completed a $7.05 million expansion in Two Harbors for manufacturing siding. With the expanded capacity, resource utilization is expected to increase by 25 percent with new jobs created and 112 jobs retained. The expansion was supported in part by a $2 million loan from the Iron Range Resources and Rehabilitation Board (IRRRB).

Non-traditional and non-timber industries are also an important part of Minnesota’s forest sector. The most recent estimates are that sales of balsam boughs for the wreath industry exceeded $20 million in 2012 (MN DNR, June 2013). Decorative spruce tops, birch bark, maple and birch syrup and medicinal plants are also part of the non-traditional industry. Birch is also being utilized by The Actives Factory (http://theactivesfactory.com/), a U of M start-up, that is applying patented processing methods to extract and synthesize chemicals in birch bark to manufacture pharmaceuticals, cosmetics, industrial products, and nutritional supplements.

Another significant impact within Minnesota occurred in November 2008 when voters approved a constitutional amendment to provide sales tax revenues to support conservation initiatives, including the protection, enhancement and restoration of lands and waters in the state (see sidebar). Subsequently, legislation was passed that approved Legacy Amendment funding ($34 million) for the Upper Mississippi Forest Project (including acquisition of a conservation easement across 187,000 acres supported by an additional $7 million from the Blandin Foundation and $2.75 million from The Conservation Fund).

Events and Conditions at the end of the VF/VC Initiative

As the VF/VC Initiative ended, significant changes were occurring. These events related to the priorities of the initiative, reflected the efforts of many individuals and organizations, and have influenced the long-term outlook for Minnesota’s forests. In addition to the metrics for certification, stewardship, easements, and training measured in Table 1, advances have included:

In 2008, Minnesota's voters passed the Clean Water, Land and Legacy Amendment (Legacy Amendment) to the Minnesota Constitution to: protect drinking water sources; to protect, enhance, and restore wetlands, prairies, forests, and fish, game, and wildlife habitat; to preserve arts and cultural heritage; to support parks and trails; and to protect, enhance, and restore lakes, rivers, streams, and groundwater. http://www.legacy.leg.mn
• In 2006, the Governor convened a Task Force on the Competitiveness of Minnesota’s Primary Forest Products Industry. By 2007, the short-term actions recommended by the Task Force had been largely achieved.\(^3\)

• In 2007, the Governor convened a similar task force to make long-term recommendations for improving the global competitiveness of the industry. Many of these recommendations were subsequently implemented.

• The Next Generation Energy Board was established by the Governor and the Minnesota Legislature as part of the Next Generation Energy Act of 2007.

• The Governor’s Forestry Sub-Cabinet directed the Minnesota Department of Natural Resources (MnDNR) to coordinate the creation of a Forest Bioenergy Strategy and “Map Document” for the state.

• MnDNR completed a determination of statewide forest biomass resource supply and current and proposed forest biomass demand, and began offering biomass under cutting permits.

• MnDNR formed a Forest Legacy Advisory Team (2007) and developed a comprehensive “Minnesota Forests for the Future” report involving multiple stakeholders.

• The Minnesota Forestry Association (MFA) became a member of the Minnesota Environmental Partnership.

There was also a larger context impacting the forest sector of Minnesota at the end of the VF/VC initiative. At the end of 2008, the United States entered a serious economic downturn, including a collapse of the housing market. The dramatic change in construction activities had an immediate and lasting impact on the wood products industry.

**Minnesota’s Forests and Forest Sector Today**

Since the conclusion of the VF/VC Initiative in 2009, there have been many changes impacting Minnesota’ forests and the values identified in the Initiative, including:

*Enhancing forest productivity through education and training of foresters and harvesting professionals*

• The Sustainable Forestry Education Cooperative (SFEC) continues Ecological Classification System (ECS) training, webinar development, etc.

• The Minnesota Master Logger Certification program is currently exploring opportunities to expand the market benefits of logger certification.

• Mapping of the native plant communities for Minnesota’s Laurentian Mixed Forest based on the Minnesota DNR Ecological Classification System has been completed by the University of Minnesota Duluth’s Natural Resource Research Institute (NRRI).

*Increasing participation in third-party certification by land managers through group certification and technical assistance*

• Minnesota continues to be a leader in certification with over half of the forest land in the state being third-party certified. Public lands managed by the MN DNR are third-party certified. County-managed lands in Aitkin, Beltrami, Carlton, Cass, Clearwater, Crow-Wing, Koochiching, Lake, Itasca, and St. Louis are also third-party certified.

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\(^3\) Report to the Governor: Governor’s Task Force on the Competitiveness of Minnesota’s Primary Forest Products Industry, July 2007, p. 16
• The offices of FSC-US are now located in Minnesota. The SFI program and Tree Farm programs recently held national conferences in the state.

Raising awareness of the potential contribution of forest biomass to local community energy self-sufficiency, including district heating systems.

• Community-scale biomass energy project investigations in Ely and Grand Marais, MN have included individuals and organizations that built relationships during the VF/VC Initiative (U of MN, DNR, Dovetail Partners, and the MN BioBusiness Alliance). Projects have included exploring development of biomass energy and district energy systems similar to what was viewed during the Seeing the Forest and the Trees tour events.

• In 2013, an agreement was signed between the State of Minnesota and Sweden that further support biomass energy collaborations.

• DNR has completed a comprehensive overhaul of biomass-related policies and procedures in the Timber Sale and Scale Manual to allow for greater flexibility, increased utilization and consistent application of procedures involving biomass on timber sale harvests across the state.

• DNR is exploring which internal facilities are appropriate for installing wood energy systems.

• Data is collected annually by the DNR about woody biomass use in the state. Currently, there are 52 users of woody biomass in MN, of which six are using more than 150,000 green tons of material annually.

• In September 2013, the Minnesota DNR led the formation of one of five statewide teams to be awarded $250,000 from the U.S. Forest Service to fund collaborations on developing additional wood energy projects in the state.

Branding for Minnesota-grown forest products and creation of new markets for those products

• The VF/VC study tours included visits to Thunder Bay, Ontario and viewing of thermal wood treatment systems (torrefaction technologies) that are now used in Minnesota by private business in Aitkin County and researchers at NRRI.

• Conversion of Sappi to textile fibers, Potlatch expansion, LP investments in Two Harbors

• Birch bark extraction industry start-up in Two Harbors

• 11th-Annual Goods from the Woods event held in Grand Rapids in September 2013

• True North Woods® brand continues to be used and promoted for products from Minnesota’s forests.

Supporting conservation easements to protect the forested land base

• Passage of Legacy Amendment, establishment of Lesard-Sams Outdoor Heritage Council (LSOHC), and DNR has set goals for easement acquisition

• Crow Wing County acquisition to maintain working forests with former industry lands

• Conservation Partnership grants from DNR

Facilitating strategic consideration of alternative forest futures and mechanisms for shifting direction

• In 2013, a collaborative Minnesota Association of County Land Commissioners (MACLC) and DNR LCCMR proposal was submitted to support forest inventory redesign and updating
• Current University of Minnesota Department of Forestry research on innovative and efficient inventory methodologies
• The Minnesota Forest Resources Council (MFRC) continues to facilitate landscape-level management via six regional committees that have established Landscape Management Plans and Strategic Policy Frameworks. The MFRC has a vision of achieving $10 million per year per landscape region for sustainable forestry projects over the next 20 years.

Engaging non-industrial private forest land owners to increase the number of acres of forests under sustainable management
• MyMinnesotaWoods continues to grow and expand partnerships, including connections with the American Forest Foundation and the MyLandPlan.org resources
• Natural Resource Conservation Service (NRCS) has increased EQIP funding for private forestland stewardship plan development and implementation from about $350,000 to $1 million per year.
• The Minnesota Forest Resources Council (MFRC) and DNR Private Forest Management (PFM) program have collaboratively raised over $2 million in federal funds to pursue family forest landowner engagement during a time when state funds were reduced by seventy-five percent.
• Minnesota is recognized as a national leader in private woodland management and landscape management through the combined efforts of the DNR Division of Forestry with the MFRC and their partners.

Assisting private forest landowners with succession planning
• Intergenerational land transfer courses have been offered to Minnesota woodland owners
• The Minnesota Women’s Woodland Network provides unique opportunities to engage women that own forestland in the state

Raising public awareness of increasing forest fragmentation and associated risks to forest and wildlife management
• New wetland banking projects and other innovative conservation tools are being championed by The Conservation Fund and other private and public partners (see sidebar)
• Recent legislation has increased the focus on issues related to school trust lands, land transfers, and conservation easements.
• In 2012, federal legislation was approved to allow Minnesota to give 86,000 acres of school trust lands inside the Boundary Waters Wilderness to the federal government. In
exchange, the state would receive lands currently controlled by the Forest Service within the Superior National Forest.

Increasing awareness of emerging bioeconomy opportunities for the forest sector

- The Minnesota Bio-Business Alliance and the Great Plains Institute have facilitated constructive organizing and engagement related to bio-economy programs and policies, including efforts to improve recognition of forest-derived biomass energy and level the playing field with other forms of renewable energy.

New Challenges and Opportunities

In forests, as in life, time doesn’t stand still. New challenges have emerged in recent years that have the potential to dramatically impact Minnesota’s forests and renew the urgency for identifying solutions and opportunities. These developments include:

- USFS endorsement of a plan to issue up to 29 new permits for minerals exploration on Forest Service land, and proposals to issue mining permits on state land in the Ely area.
- Actions by the State legislature in 2012 to cap sustainable management/open access payments to forest landowners at $100,000 for any one landowner (this cap was subsequently removed in 2013 legislation).
- Actions by the State legislature in 2013 to exclude lands exceeding 60,000 acres that are subject to a conservation easement and any future conservation easement lands (after May 30, 2013) from participation in the Sustainable Forest Incentive Act (SFIA) program.
- Increased risk of large scale conversion of forests to farms (e.g., forests in central sand plain being changed to management for intensive potato production).
- Increases in industrial electricity rates in Minnesota over the past decade, impacting the competitiveness of the state’s forest products industry.
- Discovery and spread of invasive insects (e.g., Emerald Ash Borer, gypsy moth, etc) that have the potential to significantly impact forest resources.
- Big increase in net growth to removals ratios for the state over the past decade.
- Introduction of a bill in Congress (with Senator Franken a co-sponsor) to block the EPA from regulating runoff from logging operations.
- Comprehensive development of Watershed Restoration and Protection Strategies (WRAPS) by Pollution Control Agency (PCA) were mandated and funded in 2013. Establishment of new forest areas can play a role in watershed strategies.

In recent years there has also been the reemergence of land conversion pressures. In the 1990s and 2000s, the talk was of forest fragmentation and parcelization which continues today. Today, with rising mineral values and high prices for agricultural commodities, the threat of forestland conversion is greater than in recent generations. Forestlands being sold and converted to agricultural fields is a reality in northwestern Minnesota. Extensive exploration and mining proposals are a reality in northeastern Minnesota. These trends present opportunities for economic growth, job creation and other benefits. However, they may come at a cost to our forest resources and the associated forest-derived benefits and services. To retain forests and grow the forest sector in Minnesota, there is a continuing need to address legislation and policy barriers, improve tools for engaging woodland owners, and seek opportunities for incentives to attract business investment and support forest productivity.
The Bottom Line

The VF/VC Initiative was a significant undertaking and made way for relationships and initiatives that continue to impact the forest sector in Minnesota. The VF/VC goals and objectives addressed the challenges and opportunities faced by the forest sector and communities a decade ago and that continue to evolve today. Since the initiative ended in 2009, forests and the forest industry in Minnesota have continued to change as a result of the work of many partners as well as because of larger trends in the economy, public policy, and the environment. There continues to be urgency for the stakeholders in Minnesota to address concerns related to the future of the resource, forest-dependent communities, and forest-based industries.

To address the urgency and understand what next steps are needed, it is important to engage in new discussions about priorities and opportunities that can be tackled together. It is again time to ask – what can we do together that we can’t do alone? How can we together build on our assets, knowledge and relationships to make positive change for the forests and communities of Minnesota?

A Report of Meeting Outcomes

On October 23rd, diverse stakeholders came together to answer that question:
In response to this question, the following issues and opportunities were identified:

- Engaging Private Landowners, including:
  - Family Forests/Non-industrial Private Forest Owners (NIPFs)
  - Developing Service Delivery to Private Landowners
  - Engaging more people in managing their forestland to support local communities
- Recruitment of logging and forestry professionals
  - Where will tomorrow’s foresters come from?
- Silviculture exchange/cooperatives cross agencies/organizations
  - Education – professionals – landowners
  - Education of landowners to maintain diversity on their forest
- Energizing today the development of the forest products of tomorrow
  - Struggling (declining) forest economy – need for markets and incentives
  - Better markets for forest products
  - Viable forest products industry
  - Identify and implement sustainable wood products manufacturing and markets
  - Ensure new technologies guide future industry development
  - Nanotechnology development
  - Green building with wood – tall wood bldgs., Wood First initiatives, changing bldg. code
  - Policy barriers to attracting investments in the forest industry
  - The role of non-timber forest products
  - Revisit the potential for increased forest productivity in Minnesota
- We need to tell our story better – more effectively... and on an ongoing basis.
  - Raise visibility of MN’s forest economy
  - Raising the Public’s awareness of and support for forestry in Minnesota
- Keeping forest inventories current and relevant
- Minnesota Forest Resources Council
  - Opportunity to use landscape-based approaches to sustaining MN forest resources
  - Funding Forest management with a declining general fund and FMIA
- Sustainable Forest Incentive Act
  - Fix SFIA
  - Fragmentation of forestland ownership
- Lack of forest productivity, challenges to forest health and climate change
  - Forest health and productivity
  - MN’s aging Forests
- Conversion of forests into ag production
- Utilizing urban forests for food production
- Forest Certification
- Future quarantines
- Forest for waters sake
- Invasive species
- Biomass from farms and forests
These issues and opportunities provided for in-depth discussion and the identification of next steps as summarized below.

**Issue: Engaging Private Landowners**

Next Step: My MN Woods – calendars, info. sharing, clearinghouse. Connecting NIPF to the website, service providers loggers. Potential to connect and develop graduated service delivery and campaign.
Contact Person(s): Gary Michael, Eli Sagor, Tom Kroll

**Next Step: Invigorating Forest Stewardship Committee**
Contact Person(s): Gary Michael, Eli Sagor

**Issue: Silviculture exchange/cooperatives cross agencies/organizations**

Next Step: Develop portal or website with links to sources of information; follow-up with development of conferences and workshops to train managers and owners
Contact Person: Eli Sagor
Issue: Recruitment of logging and forestry professionals

Next Step: Find ways to increase recruitment of more students into forest resources (and bioproducts) majors and minors (recognizing recruitment is part of our work currently).
Contact Person:

Next Step: Look at alternative models of training/educating people to fill needed roles (DNR Enforcement/German Forest Service).
Contact Person:

Next Step: Create a “Forest Ecosystem & Resource Management Private Sector Consultant” sub-plan or track within curriculum (e.g., add business–oriented classes to the forest management track).
Contact Person: Tom Kroll

Next Step: Develop 2-year programs to support growth of local companies that can do tree planting, timber stand improvement (TSI) work, trail work, invasive species removal, etc.
Contact Person: Tom Kroll

Next Step: Connect Environmental Studies students from within and outside of U of MN with the ability to get relevant forestry classes that would make them better qualified to work as foresters.
Contact Person: Tom Kroll
Issue: Energizing today the development of the forest products of tomorrow

Next Step: Publicize availability of $80 million DEED fund to encourage adoption/development of new technologies
Contact Person: Jack Rajala

Next Step: Utilization of byproducts from wood manufacturing facilities
Contact Person: Jack Rajala

Next Step: Find ways to enable development of forest/wood products microbusinesses; find ways to enable/incentivize small sawmills
Contact Person: Brian Brashaw/NRRI

Next Step: Consider initiating forest sector-focused “Minnesota Cup” – challenge to entrepreneurs to develop new products/applications from/for Minnesota wood
Contact Person(s): Dave Chura, Brian Brashaw

Next Step: Eco-Tourism Leverage
Contact Person: Allison Ahcan

Next Step: Speak with a single voice Minnesota wants to hear
Contact Person: Jack Rajala, Steve Betzler, Brian Brashaw

Next Step: Revisit potential for increased forest productivity in Minnesota
Contact Person: Jim Bowyer
Issue: We need to tell our story better, more effectively, and on an ongoing basis.

Next Step: Invest in the message – telling our story/increasing public support for forestry
Contact Person: Jim Bowyer

Next Step: Invest in the messengers. Connect with key communicators (they are looking for stuff)
Contact Person: Allison Ahcan

Next Step: Buying local campaign for wood, similar to local food
Contact Person: Jack Rajala

Issue: Conversion of forests into agriculture production

Next Step: Collect data on how much and where ag. drain tile is being installed statewide. Develop mechanism to do this.
Contact Person: Steve Morse

Next Step: Survey other jurisdictions to see how they monitor/manage ag. drainage
Contact Person: Steve Hobbs
Issue: Keeping forest inventories current and relevant

Next Step: Work with University of Minnesota to convene a group to identify forest inventory data needs (e.g., a steering group). Who are the right people to bring to the table? Include in the discussion: How does FIA inventory fit into the discussion or an eventual system?

Contact Person: Jon Nelson

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Issue: Minnesota Forest Resources Council

Next Step: Revise Sustainable Forest Act – 2014; Support budget to support the work – 2015

Contact Person: Dave Zumeta
**Issue: Sustainable Forest Incentive Act**

**Next Step:** Further policy analysis around SFIA for multiple ownership scales. Policy training for assessors. “Teeth” in SFIA to ensure program credibility. Actions on forest management plans.

*Contact Person:* Jim Marshall, Mike Kilgore

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**Issue: Forest Certification**

**Next Step:** Facilitating certification next steps

*Contact Person:* Jeff Howe
Issue: Lack of forest productivity, challenges to forest health and climate change

Next Step: Create a believable, convincing message to convince people within the forest sector that climate change is happening
Contact Person: Mark Jacobs

Next Step: Create a common vision and game plan to enhance forest productivity (Identify resources, Collaboration, What’s missing?)
Contact Person(s): Kent Jacobson and Dovetail Partners staff

Next Step: Create a public information story about forest health (Integrated story, Park naturalists, Media outreach)
Contact Person: Dave Zumeta

Next Step: “New” white pine restoration initiative with alternative funding sources (climate change mitigation and water quality money)
Contact Person: Jack Rajala

Next Step: Make a renewed collaborative effort to work on improving forest productivity, including all landowners.
Contact Person: Eli Sagor
**Issue: Utilizing urban forests for food production**

**Next Step:** Contact farmer’s market managers and vendors/farmers to discuss interest in selling fruit trees at markets. Creation of a farmer’s market fruit tree co-op (for land ownership in urban areas and sales/management)
Contact Person: Matt Frank

**Next Step:** Contact local government zoning boards to discuss urban ag. amendments and why trees haven’t been addressed/how fruit trees could be added
Contact Person: Matt Frank

**Next Step:** Survey key urban forestry contacts to discover reasons for existing angst, issues and opportunities for urban fruit tree production, distribution, management and planting
Contact Person: Matt Frank

**Next Step:** Work with Gary Johnson at the U of M Extension to distribute fruit tree educational info. to cities/owners of trees affect by EAB
Contact Person: Mike Reichenbach

**Next Step:** Speak to Jill Jonson at MnSTAC to discuss potential for speaking at a session about fruit tree and urban forestry connections
Contact Person: Teri Heyer

**Next Step:** Work with U of M Extension to plant fruit tree saplings in gravel beds at education centers (Cloquet, Wolfe Ridge, Boulder Lake) and distribute to urban foresters
Contact Person: Mike Reichenbach
Issue: Future quarantines

Next Step: Education of loggers/truckers (check with FISTA)
Contact Person: Nate Eide, Dave Chura

Issue: Forests for waters sake

Next Step: Developing the forest value service for protecting water resources (Develop a big-term strategy for forest easements, Look for other forest collaborations, Revise MFRC landscape plans to include water related strategies)
Contact Person: Todd Holman

Next Step: Review county and city enabling statutes to integrate water management into basic responsibilities; update and refresh
Contact Person: Todd Holman

Next Step: Examine know and unknown changes to statewide land use and project trends and opportunities. Develop priorities statewide for protecting forests. Include use of forestry landscape plans.
Contact Person: Katie Fernholz
**Issue: Invasive species**

**Next Step:** Making sure that natural resource professionals are well trained in invasives, especially those not yet present in the area so we can be “first detectors”.
Contact Person: John Bathke

**Next Step:** Have MN DNR/Ag./PCA/DOT get together on a website that shows list of “good” plants (non-native or native) that homeowners can plant that will not be invasive. Also, list “bad” plants that are not even in MN yet are those that should be eradicated.
Contact Person: Tom Kroll

**Next Step:** Research on how to manage/regenerate land that has been infected and cannot be eradicated. U of MN, Forest Service, and NRRI help is needed. We also need info on how to best target treatment priorities.
Contact Person: Tom Kroll
**Issue: Biomass from farms and forests**

**Next Step: Participation in Minnesota State Wood Thermal Energy team to identify target institutions, buildings, locations for implementation of biomass for heat and CHP.** Synergies with Heating the Midwest, a grassroots effort to increase biomass thermal (communication, messaging, identification, education, local). Contact Person: Anna Dirkswager

**Next Step: Create a policy and incentive program to support expansion of biomass opportunities for thermal energy, CHP and liquid biofuels.** Contact Person: Brian Brashaw

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**Concluding comments:**

**What did this day mean to you?**

- Pleasure to be around a group of such professional, committed, passionate people
- Our forest health and economy are tied together
- I’ve had the privilege of being around from the beginning and today was energizing/reconnecting – very good day
- Impressed – realistic hopefulness. Good vision of what we can do (not “pie in the sky”)
Special thanks to the many individuals that provided feedback and comments on drafts of the framing paper and participants in the October 23rd event. Special thanks to the Blandin Foundation for the use of the images in this report.

**Event Participants and Framing Paper Contributors**

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Sources/References:
The compilation of proceedings and resources from the VF/VC Initiative is available at: www.forests.blandinfoundation.org


“Community-Based Bioenergy and District Heating: Benefits, Challenges, Opportunities and Recommendations for Woody Biomass”. 2009. Dovetail Partners

“Seeing the Forest AND the Trees: How to Make the Most of Minnesota’s Woods”, produced by John Whitehead of Fretless Films, the companion DVD to the tour report.
