

The Forest Products Industry is Being Threatened

The availability of trees suited for lumber or sawtimber, continues to increase in Maryland. In the late 1940s, only 13% of the state's forest was classed as sawtimber--in 1986, 60% and by 1997, 66% were in this category. The total volume of wood in the forest has risen substantially.

The problem is that even though the total volume of wood has increased, the actual availability of wood for the forest industry in Maryland has decreased.

Concerned about the future of wood supply and the wood using industry, the Maryland Center for Agro-Ecology, Inc. hired the Irland Group of Winthrop, Maine, Al Goetzl of Seneca Economics, and Rob Wieland of Maine Street Economics to study the issue. The remaining article highlights some of their findings.

The availability of wood has decreased for two reasons: parcelization and governmental regulations.

Parcelization

More and more land is being lost to development. While the southern, western and lower eastern shore counties tend to be more heavily forested than the state average, the seven counties near the Baltimore/Washington corridor (Cecil, Harford, Baltimore, Howard, Montgomery, Prince George's and Anne Arundel) have urban forestland, where forest management practices are more difficult to conduct. Studies have shown that as land is converted over to suburban use, owner interest in cutting timber, as well as interest in active management, declines.

Large parcels of land that would normally have major economical forest management potential are being subdivided into individual lots with no value for management for commercial wood. Additionally, neighbors within these subdivisions tend to not seek each other out to

manage their forests for commercial wood, firewood, recreation, or wildlife.

Regulations

Major changes are occurring in the management of forests nationwide – both private and public. Here are a few examples:

- Many paper company owners have put their land into conservation easements.
- State lands are being managed differently, and future supplies of wood to industry are uncertain.
- Large parcels of land have been acquired and are being managed for riparian protection, Chesapeake Bay protection, open space retention and farmland preservation.

But why does all this matter to the forest landowner? There are a number of reasons why a continued available supply of wood products is important to Maryland. The main reason is that without a wood products industry, there wouldn't be any way for landowners to sell their forest products and provide revenue for themselves.

Also, the state's wood-using industry is a critical element in the economy for many rural counties. Seven Maryland counties, all of them rural, are more dependent on wood-based jobs than the nation as a whole. In fact, Maryland's wood using industry employs about 15,000 workers.

Mills do not need to lose 100% of their supply to become financially unsustainable. They need to encounter only rising costs for a portion of their logs before then can no longer survive.

The Agro-Ecology Center Report also lists these reasons of importance for a continued available supply of wood:

- Timber production provides an additional reason and motivation for open space retention
- Working forest infrastructure can support other social purposes
- The rural economy, while small in comparison to the State, is critically important to rural areas
- Retaining commercial forests provides options for future owners and communities
- Halting commercial production on increasing areas simply moves the effects elsewhere, while having no effect on Maryland consumption
- Loss of forest acreage has turned extensive rural landscapes into subdivision and sprawl

What can landowners do to help the forest products industry?

The report's basic conclusion is that while there are many policies aimed at retaining land in forests, there are only a few that attempt to retain forests in managed condition as part of a future wood supply.

Landowners who have graduated from the *Coverts Program* and those with existing forest management plans prepared by a professional forester are continually encouraged to seek out their neighbors to educate them about forest management. There are numerous programs of cost sharing, tax modification and information, and education designed to motivate owners to manage private forests. The natural resources website at www.naturalresources.umd.edu provides a wealth of information on such topics. The report strongly emphasizes the necessity of neighbors helping one another in managing their properties for more economical and ecologically impact. Landowners should get involved with forestry organizations, organize local woodland owner associations, and voice their opinions about zoning practices and local and state regulations that negatively impact the ability to manage forests.

Additionally, the report provides the following recommendations:

- A No-Net-Loss of timber availability needs to be developed to offset the effect of public policy actions that reduce timber supply
- Review and expand the Forest Legacy program and Improve the Forest Conservation Act process to provide incentives to maintain manageable parcels instead of chopping them up.
- Conduct training and outreach on working forest conservation easements.
- Use the SFLA results to identify gaps in the state's Green Infrastructure.

- Consider a program of trades to block up the tracts acquired in the Glatfelter and Chesapeake acquisitions. A complete copy of the Forest Production, Industry, and Forest Retention report can be found at Maryland Agro-Ecology Center's Website at <http://agroecology.widgetworks.com>.

Forest Products Utilization and Marketing Strategic Plan for Maryland

On a related note, back in 2001, the Agricultural Development Associates of Columbia prepared a report on the forest products industry for the Maryland Department of Natural Resources. A detailed analysis of the report can be found on the Maryland Forests Association's website at www.mdforests.org.

Forest products industry is critical to Maryland forest landowners. Wood products supports urban and rural employment with more than 15,000 jobs and over \$2 billion in sales.

The forest products industry is classified into three primary categories, each with important "trickle-down" effects (multiplier effect):

Timber Harvest Management, with the most employment on the Eastern Shore, has the following types of businesses:

- Operating timber tracts, tree farms and forest nurseries
- Reforesting services
- Harvesting and transporting logs
- Producing rough, round, hewn or riven primary forest or wood raw materials
- Producing wood chips.

Primary Wood Manufacturing includes such activities as the processing of logs and related products into lumber; veneer, and plywood or pulp and turpentine. Primary manufacturing for this market is concentrated in Western Maryland.

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Secondary Wood Manufacturing includes a wide array of businesses that remanufacture lumber, plywood, paper and other timber products produced by the primary manufacturers into finished products such as furniture, toys and containers. This sector's greatest impact is felt in Central Maryland.

The following table shows the importance of these industries and key economic factors. The statistics are from "The Economic Importance of the Maryland Forest Products Industry" January 2000.

Key Economic Factors				
Forest Product Sector	Output (million\$)	Output Multiplier	Employment	Employment Multiplier
<i>Timber Harvest & Management</i>	\$230	1.93	1,375	2.95
<i>Primary Manufacturing</i>	\$720	2.15	3,449	3.83
<i>Secondary Manufacturing</i>	\$1,234	2.04	9,074	2.8
Total Direct Impact	\$2,184	~	13,898	~
Indirect & Induced Impact	\$2,293	2.05	28,491	3.05
Total Impact	\$4,477	~	42,389	~

New Fact Sheet on Commercial Deer Repellents

Using Commercial Deer Repellents to Manage Deer Browsing in the Landscape, FS 810 is available from your local extension office. The publication explains how repellents work, provides the effectiveness of popular brands, and research results from trial applications.

New Book on Vernal Pools Available

Vernal Pools: Natural History and Conservation, by Elizabeth A. Colburn, is the best source of information on vernal pools in the country. Very little has been written about the natural history, conservation, and ecology of these environmentally significant, seasonally wet pools...until not. The book is available in hardcover (\$34.95) and softcover (\$24.95). For more information, visit www.mwpubco.com/VernalPools.htm.

Workshop Promotes Improved Forestry Relationships

A dozen forest landowners, eleven loggers, and nine sawmill and pulp and paper mill representatives gathered recently in Salisbury, MD to participate in a discussion designed to help Eastern Shore forest industry partners build the business re-

lationships necessary for the forest industry to flourish in the next decade.

Sponsored by the Maryland Forests Association (MFA), Association of Forest Industries (AFI), and the Forest Resources Association (FRA), this interactive workshop identifies the factors that enhance, as well as strain, the business relationships between forest owners, loggers, and wood consuming mills.

"It's time we got out of our wood fiber chain silos, examined our differences and started working more like links in a

wood fiber supply chain," stated Karin Miller, MFA Executive Director.

MFA president Kirk Rodgers was enthusiastic about the focus of the Workshop, "This is the first time in my memory that landowner, logger, and mill partners in the forest products community have ever met collectively to discuss improving our business relationships with one another, and to insure that our industry continues to be a viable part of the Eastern Shore's economic picture."

A report listing the workshop's attendee-identified factors, as well as the overall group's suggestions for improving wood fiber supply chain relationships, is available for \$10 from FRA. Send your check to 2129 Electric Road SW, Suite 205, Roanoke, MD 24018.

For more information on future "Building Effective Wood Fiber Supply Relationships" workshops, contact Karin Miller at MFA at 301-895-5369, Bill Miles with AFI at 410-414-2515 or Rick Meyer with FRA at 540-989-4171.

Register Now for the Maryland General Forestry Correspondence Course

Learn the basics of forestry, forest ecology, and forest health. The fee is \$150.00 for which participants will receive all course materials, notebooks, appendices and other valuable resources. Classes begin September 1 and run until December 15, 2004.

Register now for this noncredit course, using your own woodlot or a public forest! Contact Nancy Stewart at 410-827-8056, ext. 140 or email at nstewar1@umd.edu.

Cicada Outbreak Makes for Excellent Bird Watching Opportunity

With the cicada outbreak beginning in late May, plus the heavy spring rainfall, food abundance will be really high for area birds this summer. According to the Pennsylvania Audubon Society, birds will be able to spend less time foraging and more time protecting their young, which will leave the nest fat and sassy this year. An increase in healthy, young birds will mean an increase in the bird population. However, the increase will only be temporary. Without the amount of quality habitat that birds need, the population will level out the following year.

Outdoor recreationists might take advantage of this summer's opportunity to observe birds engaged in a feeding frenzy. Some birds will catch the aerial flying cicadas and others will eat by gleaning the underside of leaves and bark.

For a free fact sheet about the Periodical Cicadas prepared by the Penn State Department of Entomology, Cooperative Extension, contact the Pennsylvania Forest Stewardship Program at 800-235-WISE or RNRext@psu.edu.

Buffer\$: A Tool That Makes Sense

Does it make economic sense for landowners to install buffers with conservation cost-share programs? Can landowners earn income on buffers after these programs expire? Does removing an existing buffer make economic sense? Answering these questions is now easy with a new tool called Buffer\$, a simple spreadsheet-based application to assist landowners and planners in analyzing the cost benefits of conservation buffers.

Developed by the USDA National Agroforestry Center (NAC), Buffer\$ can calculate potential income from a buffer using cost-share programs, growing agroforestry specialty products, and incorporating other income opportunities. To aid in decision-making, the tool can compare the potential income generated between a buffer alternative and a cropping alternative. Landowners and natural resource planners can also evaluate the economic impact of removing an existing buffer.

Buffer\$ can be downloaded from the NAC's website www.unl.edu/nac/conservation and requires Microsoft Excel to run. A free CD with Buffer\$ can also be requested by contacting Gary Bentrup of NAC at gbentrup@fs.fed.us or 402-437-5178, x18.

Coverts Project Cancelled for 2004

Due to a lack of funding and the fact the project coordinator will be on sabbatical, the Coverts Project training program scheduled for late September has been cancelled. Many thanks to cooperators and professionals who sent in nominations this year. The contact information will be kept on file and used when the September 2005 program is advertised in the spring of 2004. For more information on the Coverts Project go to www.naturalresources.umd.edu

New Web Site

Visit our **new** streamlined website for useful fact sheets, past issue of *Branching Out*, and other useful resources: www.naturalresources.umd.edu.

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Please send changes of address.

See page 2 for addresses and phone number.