

**Governor's Council on Forestry
Market Development Committee
Sept. 18, 2014**

Committee Members: Scott Bowe, Earl Gustafson, Steve Hubbard, Steve Kariainen, TJ Morice, Troy Brown

Searching: Urban Representative, Southwest Region Representative

Governor's Council on Forestry Market Development Committee

Goal: Grow Wisconsin's forest product markets (dependent on forest resource availability)

Objectives:

1. Capitalize on the forest industry "infrastructure" currently in place, for retention and expansion of existing companies as well as the recruitment of new companies.
2. Not only grow in size but diversify through R&D. Develop new uses and demand for wood fiber.
3. Wisconsin needs to reach out, not only statewide, but nationwide and worldwide, when it comes to Wisconsin forest products and what we are able to produce in this state. The best part and a very marketable aspect is the fact that it's all being done in a sustainable manner and more trees are growing than are being harvested each year.
4. Government and Business – regulations, technical assistance, and incentives.
5. Wood Energy- increase advocacy and promote what we learn from others who tried out different technologies.

Appendix

Objective 1: Capitalize on the forest industry "infrastructure" currently in place, for retention and expansion of existing companies as well as the recruitment of new companies.

- 1a. Help producers find the best niche markets for the products they are producing.
- 1b. Analysis and understanding of the trends of current forest product industry and where they are focusing their future capital investments, and what their needs are in improving their interests in staying in the Lake States.
- 1c. Identify locations of sawmills & value-added manufacturers.

Objective 2: Not only grow in size but diversify through R&D. Develop new uses and demand for wood fiber.

- 2a. Developing strong, diverse markets is an important driver for all of the other goals. The opportunities include:
 - i. supporting innovations in building with wood (e.g., modifications to building codes to allow for taller wood construction, improvements in building design and energy efficient designs with wood, etc.),
 - ii. support for non-timber forest product markets (e.g., maple syrup, seasonal decorations, birch bark, etc.),
 - iii. urban wood utilization (e.g., biomass energy, niche markets, traditional products, etc.),
 - iv. underutilized species or grades,
 - v. demonstration projects, innovation grants, public-private partnerships, etc.
- 2b. Work with business and industry to utilize basswood and pulpwood in the southwest part of the State where these resources seem to have little or no marketability.
- 2c. Increase non-residential wood construction in Wisconsin.
- 2d. Seek to establish a CLT manufacturer within the state.
- 2e. We need viable, dependable and long term markets that use raw forest products. Actions - get the niche markets back that have been taken over by other countries. Action - let's stop talking about it and having studies about it - LETS DO SOMETHING!
- 2f. Educate the overseas buyer about cost savings in buying lumber instead of logs
- 2g. Help businesses develop exports sales & marketing plans
- 2h. Make export market information readily available
- 2i. Continue (or increase participation in) Trade Missions
- 2j. Use mobile sawmill technology on a smaller scale
- 2k. Wood utilization- industry coalition; efficient process for branding and marketing re: urban utilization options
- 2l. Promotion of wood products economic development in urban areas

Objective 3: *Wisconsin needs to reach out, not only statewide, but nationwide and worldwide, when it comes to Wisconsin forest products and what we are able to produce in this state. The best part and a very marketable aspect is the fact that it's all being done in a sustainable manner and more trees are growing than are being harvested each year.*

3a. More emphasis on locally and sustainably produced products.

3b. We also need to continue to work on promoting value added products being shipped into the global marketplace versus exporting raw materials.

Objective 4: *Government and Business – regulations, technical assistance, and incentives.*

4a. Streamline the permitting processes to allow for business expansion.

4b. Improve coordination between local economic development agencies, extension services, county employees, and WDNR employees all working in economic development or market expansion but not necessarily communicating/coordinating in regard to forest products industry

4c. Work with current and potential manufacturers to entice industry to stay and move to Wisconsin making it easier for industry to meet environmental goals (laws).

4d. Financial incentives to encourage growth in the industries and thus the markets for forest products.

- i. Utilize Federal economic development grants, incentives and resources to grow industries in WI
- ii. Providing reasonable loans to the loggers for equipment as it is very expensive with the idea that loggers will still stay in the logging business.

Objective 5: *Wood Energy- increase advocacy and promote what we learn from others who tried out different technologies.*

Governor's Council on Forestry Market Development Committee

Current Activities – As of September 12, 2014

Goal: Grow Wisconsin's forest product markets (dependent on forest resource availability)

Objectives:

1. Capitalize on the forest industry "infrastructure" currently in place for retention and expansion of existing companies, as well as the recruitment of new companies.
 - a. DNR
 - i. TPO survey is in progress
 - ii. Individual companies are being assisted
 - iii. Recently had a booth at IWF Atlanta tradeshow for recruitment/business relocation efforts
 - iv. Working with urban companies such as Whole Trees and Baraboo Woodworks to grow urban wood markets
 - b. Forest Products Lab Forest Products Marketing Unit
 - i. Mechanized Logging of Urban Wood Demo on 9/4/14 in Oshkosh.
 - ii. Four communities are moving forward to harvest their urban wood with mechanized logging equipment.
 - iii. Working with individual companies that are utilizing urban wood.
 - c. UWEX Wood Products
 - i. Continuation of industry training in grading, kiln drying, export marketing, etc. to increase the wood industry's product quality and service.
 - d. SFI
 - i. Third party certification benefits the participating firms in their efforts to market their product to downstream retailers.
2. Not only grow in size but diversify through R&D. Develop new uses and demand for wood fiber.
 - a. Full Circle – Urban Wood Utilization project started on 9/1/14. This is a 4-state effort, including Wisconsin. (Others include Michigan, Illinois, and Missouri.)
 - b. UWEX Wood Products
 - i. Applied research projects on wood quality to encourage economic rotation of timber rather than "big tree silviculture".
 - c. DNR FPS Program working with numerous urban companies interested in marketing EAB and other urban forest removed material.
3. Wisconsin needs to actively promote, not only statewide, but also nationwide and worldwide, Wisconsin forest products and our capacity to produce them what we are able to produce in this

state. The best part, and a very marketable aspect, is the fact that it's all being done in a sustainable manner and more trees are growing than are being harvested each year.

- a. UWEX Wood Products
 - i. Continued work with the American Hardwood Export Council to promote Wisconsin wood products around the world through trade shows, training in the application of WI species, and applied studies of foreign markets.
 - b. DNR and UW trade missions have been conducted in China, Turkey, and India to assist Wisconsin forest products producers in gaining access to global markets
 - c. DNR and UW have done multiple promotional efforts aimed at product differentiation associated with Wisconsin wood
4. Government and Business – regulations, technical assistance, and incentives.
- a. Stream Crossing Permits Committee is currently working on ways to streamline the process.
 - b. DNR is working across divisions to work with existing companies and to expand and with new companies.
 - c. Meeting is being set-up with USDA Rural Development to better understand their programs and how to better utilize them in the Forestry sector.
 - d. DNR recent expansion of staffing for its Forest Products Services Program will increase technical assistance available.
5. Wood Energy- increase advocacy and promote what we learn from others who tried out different technologies.
- a. State Wood Energy Team – recently established with a USFS grant will be working statewide to identify and assess wood energy opportunities.
 - b. DNR is holding Woody Biomass Evaluation Workshops
 - c. Focus on Energy
 - d. WI DNR Biomass Project – supported by SFI

**Governor's Council on Forestry
Market Development Committee
Next Steps**

1. Fill committee membership gap with one representative from the two identified areas as soon as possible.
2. Direction and feedback from the council today.
3. Potential SWOT analysis after the November election.