

Montana Wood Products Association

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2021 Year-in-Review

Background & Mission

The Montana Wood Products Association was founded in 1972 and continues to serve as a major voice for the timber community with the media, state and federal agencies, state legislature, the U.S. Congress and the public.

The mission is to promote healthy forests and healthy communities through management of all Montana's forests.

The mission serves to realize healthy forests and healthy communities through a continual increase in forested acres sustainably treated through active management which produces an increase in available and affordable raw material, provides opportunity to maintain and increase timber industry work force, creates the potential for industry expansion and diversification, and improves health and vigor of Montana forests and communities.

Executive Summary

The Association represents primary and secondary Montana wood manufacturers, timberland owners, wood workers, forest practitioners, Montana businesses, and forest-dependent communities that rely on a vibrant forest products industry. We have a century-long tradition of providing local employment and manufactured wood products. Besides direct employment, forest products businesses make a huge contribution to local economies, and their employees donate countless time and money to support local organizations.

Montana's wood products industry turns trees, a renewable resource, into a wide array of products, including lumber, plywood, particleboard, cross laminated timber, post and poles, log homes, wood pellets, furniture and biochemical and biofuels. Nothing is wasted. Slabs, edgings, sawdust and planer shavings, formerly burned in incinerators, are used in making products such as particleboard and paper. Even bark is utilized for industrial fuel and landscaping,

The industry relies on our federal, state, private and Tribal timberland partners for a steady and sustainable supply of raw wood fiber. US Forest Service Region One's goal is to incrementally move their 420mmbf timber target to 500mmbf by fiscal year 2023. Unfortunately, Region One's federal timber program fell short in FY2021 by 28%. The state's timber program, under Trust Lands, held steady at 57.7mmbf for a stumpage value of \$10.4 million. The Good Neighbor Authority (GNA) under the DNRC Forestry Division, planned for 11 timber sales, with a harvest volume of 32mmbf.

Without a reliable and affordable supply of raw fiber, mills cannot respond to changing market conditions and the demand for wood products domestically and globally. To run at full capacity, the annual volume of raw fiber needed is approximately 500 million board feet or equivalent to 100,000 loaded log trucks per year.

Even with the rollout of COVID-19 vaccines, new challenges emerged this year, such as workforce shortages, disruption in the supply chain and new vaccine mandates for large employers and federal workers and grants and agreements holders. In spite of these challenges, Montana's forest products industry has remained steady.

The 2021 Year-in-Review highlights our engagement at all levels, progress made and challenges and opportunities ahead.

Julia Altemus

Executive Director

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MT DNRC & FWP Timber Program

The **Trust Land Management Division** (TLMD) of the Montana Department of Natural Resources and Conservation (DNRC) manages approximately 780,000 acres of forest land. The TLMD is guided by laws and rules regulating timber harvest and forest management.

Timber resources are managed for the benefit of the common schools and other endowed institutions under the direction of the State Board of Land Commissioners. The 2021 Land Board consists of Montana's top five elected officials: **Greg Gianforte** – *Governor*, **Austin Knudsen** – *Attorney General*, **Troy Downing** – *Commissioner of Securities and Insurance*, **Christi Jacobson** – *Secretary of State*, and **Elsie Arntzen** – *Superintendent of Public Instruction*.

Timber management falls under the **State Forest Land Management Plan**, the Habitat Conservation Plan (**HCP**), and other laws and rules which specify objectives, regulate how and where timber harvest can take place, and established standards to protect water and habitat for wildlife. The **Sustainable Yield Calculation** directs the department to determine the quantity of timber that can be harvested from forested state lands each year while meeting other objectives and constraints. The DNRC is required to commission an independent third party to calculate the annual sustainable yield for forested state trust lands at least every 10 years. The next full review is scheduled for 2025. However, in 2019, the MWPA requested a mid-term review due to the state's acquisition of additional private timberlands. The mid-term review was completed this year. As a result, the state's annual timber target increased 57.2mmbf to 60.0mmbf with 8.3mmbf of opportunity wood in eastern Montana.

Currently, the State of Montana has Master Agreements under the Good Neighbor Authority (GNA) with the US Forest Service and the Bureau of Land Management (BLM). To date, the **GNA** program has treated 11,500 acres, producing 62mmbf in timber volume, worth \$11.5 million in program revenue. In addition, there has been 28 non-timber sale contracts generating about \$600,000 in program revenue. The Association continues to work to seek opportunities to treat additional acres and incrementally grow the program as additive to the Forest Service and BLM annual timber target.

Montana's Forest Action **Plan** was completed in 2020, identifying over 3.8 million priority acres and over 500,000 acres in the Wildland Urban Interface in need of treatments. To date, 14 **Request for Proposals** have been funded through a \$500,000 US Forest Service grant and \$4.5 million from the State of Montana.

In 2011, the legislature added a provision to HB 619 requiring the Fish, Wildlife and Parks (FWP) to calculate an annual sustained yield on its forested lands. The subsequent report identified 151,447 acres as having potential commercial forest value with 57,405 acres available for harvest. In 2017, the legislature authorized a permanent forester to develop and oversee the FWP timber program and report out the legislature biennially. This year to date, five timber projects with commercial timber value have been completed, treating 957 acres and producing 2.7mmbf. (see **2019 – 2020 Report**)

Forest Products Industry Week

► The third week of October is set aside annually to recognize the many benefits derived from a well-managed forest. Forests support livelihoods, provide jobs and an economic base for families and communities. Forests provide viable wildlife habitat, clean air and water, and renewable materials and energy.

► To mark Forest Products Industry Week in Montana, Governor Gianforte presented his inaugural Forest Products Award to Marks Lumber, a family-owned business in Clancy with an 80-year tradition of sawmilling and forest products innovation. "In keeping with our commitment to be better stewards of one of our state's most precious resources, I'm proud to recognize Marks Lumber for their work to promote Montana wood products and improve forest health," Gov. Gianforte said. "The forest products industry is critical to our economy and our environment, and I encourage all Montanans to support their local wood products supplier." [read article here](#)

► The week also included timber tours and walks-in-the woods hosted by local Chambers of Commerce and schools and supported by grants provided by the MT DNRC.

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MONTANA FOREST PRODUCTS INDUSTRY WEEK

OCTOBER 17TH-23RD



State Legislature & Committees

The legislature is comprised of 50 senators and 100 house members. House members run for election every two years and senators stagger election every four years. 2022 is an election year for house and senate members.

The state's interim and standing committees meet to fulfill the direction given by the previous legislative session.

Interim Committees are comprised of legislators that meet during the months between sessions to study specific issues and consider whether to recommend new legislation.

Session or Standing Committees are legislative panels that meet every session to consider and hold public hearings on bills in a specific policy area, such as environment, water, transportation, or agriculture. The House and Senate each has more than a dozen standing committees.

Joint Appropriations Subcommittees meets during the first part of each session to consider budget bills that appropriate money and give state agencies authority to spend money. This committee is made of up members from the House Appropriations Committee and the Senate Finance and Claims Committee.

Other Committees

The MWPA legislative committee reviews upcoming legislative proposals and reviews potential legislation that furthers the interests of Montana's timber industry in the upcoming legislative session. The legislative committee works with the executive director and communicates legislative ideas, proposals and/or concerns with the Board of Directors and the general membership.

The 2017 legislature passed the Wildlife Habitat Improvement Program (**WHIP**). The program provides up to \$2 million in grants under the Pittman-Roberts Act. The grant applications are reviewed by an advisory committee selected by the state Fish, Wildlife and Parks Director, Hank Warsech. The MWPA executive director is an advisory member.

MWPA participates in the Montana Nutrient Work Group and the Montana TMDL Advisory Group. Both groups focus on Montana's water quality. The Nutrient Work Group is developing a narrative standard for point-source nutrients and the framework for an Adaptive Management Plan pursuant to the passage of SB 358 in the 67th legislature.

MWPA participates in the U of M Workforce Development Committee. A committee that is seeking educational opportunities for Montana's workforce.

67th Legislature Recap

	House Bills	HJR	HR	Senate Bills	SJR	SR	Total
Active in Senate	0	1	0	0	0	0	1
Failed in the House	300	23	3	45	1	0	372
Failed in the Senate	60	2	0	123	11	22	218
Still in enrolling	1	0	0	0	0	0	1
Vetoed	10	0	0	5	0	0	15
Resolutions Adopted	0	27	4	0	23	77	131
Bills Signed	340	0	0	235	0	0	575
TOTAL INTRODUCED	711	53	7	408	35	99	1313

MWPA Key State Legislative Activities

There was over 350 bills on the MWPA watch list. We either supported, opposed or monitored over 200 bills this last session and provided testimony on over 70 bills. Below are a few of the key bills we testified on.

Bill # & Name	Support	Oppose	Monitor	Result
HB 2 Section C (DNRC)	X			passed
HB 14 (School of Forestry)	X			passed
HB 49 (MT Natural Heritage)	X			passed
HB 86 (Regional Fire Authority)		X		failed
HB 150 (Est Carbon Cost Community Fund)		X		failed
HB 173 (Est Fire Hazard Reduction Fund)	X			passed
HB 228 (Est Medical Leave Program)		X		failed
HB 284 (Est Living Wage)		X		failed
HB 511, 512, 513, 514 (Revise State Fund)		X		failed
HB 677 (Prohibit Non-profits Buying AG Land)		X		failed
SB 262 (Revise Forest Taxation Advisory Comm)	X			passed
SB 263 (Revise Class 10 Property Taxation)	X			passed
SB 322 (Revise State Fund)		X		failed
SB 358 (Eliminate Nutrient Criteria)			X	passed

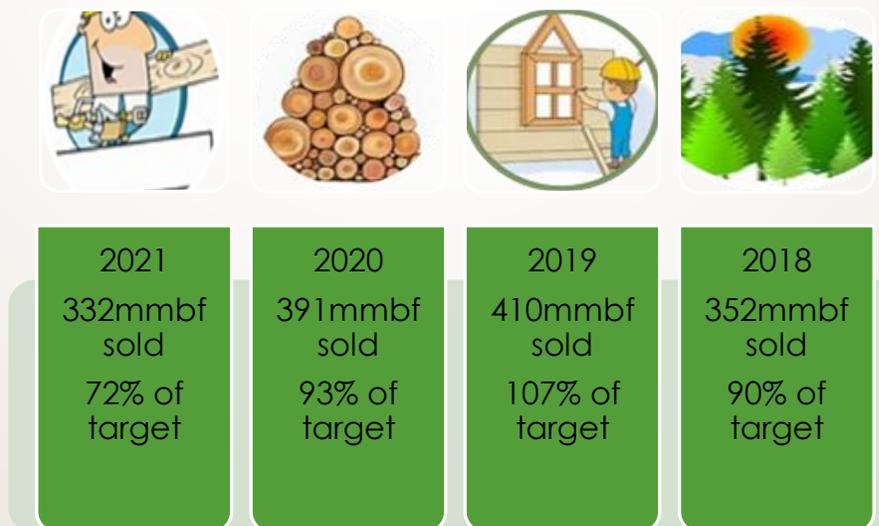
Region One - Federal Timber Program

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Montana's roughly 18.9 million acres of non-reserved timberland is divided between public and private ownerships. Non-reserved timberland is defined as land available for harvest, and capable of growing at least 20 cubic feet of wood fiber per acre. Roughly 67% of these timberlands are under the public domain. The Forest Service provides only 30% of the raw materials needed to supply Montana's timber industry. Currently, Montana's milling infrastructure is operating at roughly 85 percent of capacity. Continuing to expand the federal timber program and implementation of the Good Neighbor Authority is vital to the industry's ability to ramp up and operate at full capacity.

Challenges due to COVID-19 and litigation continued to impact Region One's 2021, timber target of 420mmbf. Region One offered 72% of their annual target. The COVID firewood program continued in 2021, coupled with a 40mmbf shortfall due to litigation and species consultation challenges at the US Fish and Wildlife Service. Region One hired three additional biologists this year to help support the USFWS's effort to complete outstanding consultations on timber projects.

The FY 2022 timber program will hopefully pick up the 40mmbf shortfall from FY 2021 and fire salvage from the 422,000 acres that burned across the region this year. The proposed fire salvage program can be reviewed [here](#).

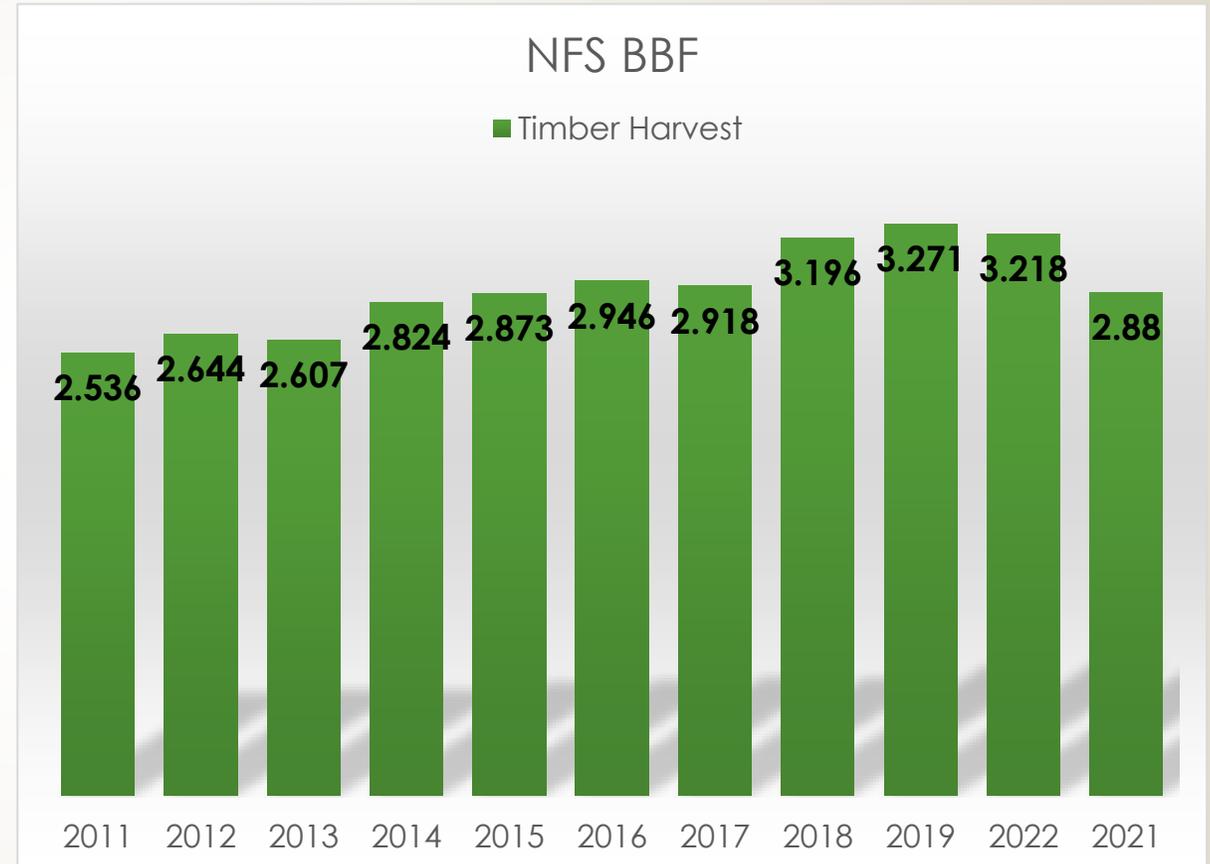


National Federal Timber Program

The Forest Service sold 2.8bbf (billion board feet) of timber in FY 2021. An 11.5 percent decrease from the 3.2bbf volume sold in 2020.

Of the total sold this year, 1.72 BBF (60 percent) was sawtimber, 565 MBF (million board feet) (20 percent) was pulpwood, 195 MBF (7 percent) was firewood. (The Forest Service refuses, even after being directed by Congress, to stop counting personal use firewood as a “timber” accomplishment). Overall, firewood, biomass, and “other convertible” materials made up 20 percent of the program. Sawtimber as a proportion of the program was slightly higher compared to last year.

The Forest Service launched the long-awaited Timber Sale Dashboard this year that can be found [here](#).



2021 Federal Initiatives and Legislation

The executive director works on behalf of the membership by working on federal policies that stabilize and increase the timber supply off federal forests by working with members of congress, and committees of jurisdiction. We witnessed a large increase in proposed initiatives and legislation that will impact federal forestry practices.

Not all initiatives and legislation introduced are supported by MWPA.

[HR 5376 \(Build Back Better\)](#) – Representative Yarmuth

[HR 3684 \(Infrastructure Bill\)](#) – Representative Defazio

[30 x 30 Initiative](#) – President Biden

[Climate Smart Forestry Initiative](#) – President Biden

[Root and Stem Project Authorization Act](#) – Senators Daines/Feinstein

[Protect Collaboration for Healthier Forests Act](#) – Senator Daines

[S 2561 \(Cottonwood\)](#) – Senator Daines

[S 2564 \(Pilot Arbitration\)](#) – Senator Daines

[Navigable Waters Protection Act](#) – Senator Capito/Co-sponsor Senator Daines

[FIRESHEDS Act](#) – Senator Risch/Co-Sponsor Senator Daines/Representative Rosendale in the House

[Emergency Wildfire Act](#) – Senators Feinstein/Daines

[Grizzly Bear State Management Act of 2021](#) – Senator Lummis/Co-sponsor Senator Daines

[Carbon Capture Modernization Act](#) – Senator Hoeven/Co-sponsors Senators Daines/Tester

[America's Revegetation and Carbon Sequestration Act of 2021](#) – Senators Barrasso/Manchin/King/Marshall

2021 Federal Initiatives and Legislation, Cont.

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[Recovering America's Wildlife Act of 2021](#) – Senators Heinrich/Martin – Cosponsors/Senator Tester

[Montana Headwaters Legacy Act](#) – Senator Tester

[Blackfoot Clearwater Stewardship Act](#) – Senator Tester

[Forest Litigation Reform Act](#) – Representative Rosendale

[FIR Act \(Cottonwood\)](#) – Representative Rosendale

[Resilient Federal Forest Act](#) – Representative Westerman/Co-sponsor Representative Rosendale

[Common Sense Coordination Act](#) – Representative Bentz/Co-sponsor Representative Rosendale

[Healthy Forests for Hunters Act](#) – Representative Stauber/Co-sponsor Representative Rosendale

[Salvage Act](#) – Representative Obernolte/Co-sponsor Representative Rosendale

[Stop Catastrophes Act](#) – Representative Newhouse/Co-sponsor Representative Rosendale

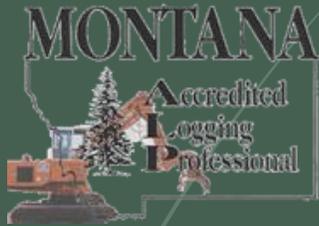
[Action Versus No Action](#) – Representative McClintock/Co-sponsor Representative Rosendale

[Wildfire Prevention and Drought Mitigation Act](#) – Representative Herrell/Co-sponsor Representative Rosendale

[National Forest Restoration and Remediation Act](#) – Representative Schrier/Co-sponsor Representative Rosendale

[Active Forest Management, Wildfire Prevention and Community Protection Act](#) – Representative Boebert/Co-sponsor Representative Rosendale

[More PILT Act](#) – Representative Boebert/Co-sponsor Representative Rosendale



Montana Forest Council

The Montana Wood Products Association serves as the administrator of the Montana Forest Council ([MFC](#)). The MFC is Montana's State Implementation Committee (SIC) for The Sustainable Forestry Initiative® ([SFI](#)®).

Established in 1991, and originally named the Montana Private Forest Council, the organization's original goals included the development of Montana's BMP and SMZ rules, the development of an Accredited Logging Professional (ALP) program, and the advancement of forest stewardship in Montana through extension services.

In 1996, the organization's name was changed to the Montana Forest Council to recognize that its principles applied to all forestlands in Montana and its responsibilities expanded to include the role as the official State Implementation Committee for the SFI Standard.

In 1998 the MFC signed a Memorandum of Understanding (MOU) which formalized its compliance with requirements for an SFI Implementation Committee. The MOU was updated and signed again in 2016.

Today the MFC continues as Montana's SIC and is an active advocate for sustainable forest stewardship in Montana.

The Montana Forest Council is comprised of forest landowners, timber harvesters, forest product manufacturers and others committed to:

- forest stewardship and sustainability
- responsible timber harvesting practices
- private property rights and responsibilities; and
- civic, educational and legislative efforts

The goal of the council is to provide support to Montana's Accredited Logging Professional (ALP) and SFI training programs, which advance responsible harvest practices and recognize loggers, committed to professional excellence.

The MFC participates with state, regional and national organizations with a similar commitment to the council's mission.

2021 Compendium

There are efforts throughout the year meant to keep the Board of Directors engaged in activities and informed of progress. This year, as in the past, the Board of Directors had an opportunity to join a Friday Board call to keep abreast of the current issues, recap of meetings attended on their behalf and upcoming meetings of interest. The first Friday of the month, Montana's congressional delegation staff, and the Director of the DNRC join the call to update the Board on issues at the state and federal level.

The Board meets annually for a spring luncheon, at the convention and at the winter planning meeting. Again, this year the spring meeting was held online, but the convention and the winter planning meeting were in person.

Most meetings continued to be hosted online. There were opportunities to visit with Forest Service, BLM and DNRC staff regarding the implementation and advancement of the federal and state timber program, the GNA, and new federal programs such as Climate Smart Forestry, American Great Outdoors Act and potential carbon markets.

Other opportunities for engagement include the MWPA resource meeting. The resource meetings are held several times annually to discuss issues pertaining to the state and federal timber program. Also, the executive director as well as Board members attend the monthly Land Board meetings, and the executive continues to work with Land Board staff.

The executive director engages with other organizations such as the American Forest and Paper Association, the Forest Resources Association, the Montana Logging Association, the Treasure State Resource Association, the REAL Montana program, the Montana Chamber of Commerce, the Montana Taxpayers Association and is a member of the Montana Forest Collaboration Network Advisory Council.

Members share information regarding their involvement with other groups such as the Softwood Lumber Board, and other state, regional and federal committees.

To keep the public abreast of issues important to Montana's timber industry, the executive director offers guest editorials and articles to print media and other local, regional and national publications and provides power point presentations regarding the status of Montana's timber industry to organizations upon request.

Other efforts throughout the year include updating the member directory online, maintaining a Facebook presence, participating in a wood promotion marketing campaign and attending monthly Forest Products Retention Roundtable meetings.

Membership recruiting is an important and ongoing effort, and we are happy to report the addition of Green Diamond Resource and Flathead Ridge Ranch as a new members this year and we look forward to working with them.

Background: The Montana Wood Products Association's Board of Directors believes in addition to developing an annual program of work, it is imperative to develop a 3-5-year strategic plan that identifies a set of goals and objectives that meet the mission and vision of the association. The Executive Summary is a synopsis of the Strategic Plan that was adopted at the September 7, 2018, Board of Directors meeting.

Purpose: To articulate the long-range direction and priorities for the association, establish short-term strategies, tactics and implementation that support the long-term direction and that addresses challenges of operations.

Term: The guiding principles are intended to be a living document that will provide long-term direction over the course of the next 3-5-years with opportunity to review and update as needed.

Guiding Principles

Mission Statement: To promote healthy forests and healthy communities through management of all Montana's forests.

Vision Statement: Realize Healthy Forests and Healthy Communities through a continual increase in forested acres sustainably treated through active management which:

- Produces an increase in available and affordable raw material
- Provides opportunity to maintain and increase Timber industry workforce
- Creates the potential for industry expansion and diversification
- Improves health of Montana forests and economic vigor of Montana communities

Goals:

- Promote long-term management of all Montana's forests to increase log/fiber supply within Montana.
- Monitor and engage in regulatory, taxation, policy and trade environment to encourage a favorable business environment for the wood products industry.
- Furnish opportunities for open discussion and appropriate interchange of information concerning all facets of the wood products industry.
- Accumulate and disseminate information regarding the wood products industry in order to foster the best interests of the industry.
- Retain and increase membership.
- Promote education and training for existing and future workforce.

2019 – 2021 Strategic Plan Executive Summary

Executive Summary Cont.

Strategies and Tactics:

- ▶ **Federal Engagement**
 - US Forest Service – Bureau of Land Management – Tribal
 - Develop specific Forest targets using authorities passed by congress
 - Semi-annual resource committee meetings
 - Annual Timber Task Force meeting
 - Annual USFS contractor meeting
 - Policy / Regulatory
- Maintain membership in the Federal Forest Resource Coalition
- Seek opportunities to coordinate and work with other groups and associations
- Work with members of congress to pass legislation that increases the pace and scale of federal timber management
- Work with agencies of jurisdiction to implement management laws, rules and regulations that enhance active forest management

Executive Summary, Cont.

Strategies and Tactics:

- **State Engagement**
 - Land Management Agency – Department of Natural Resources (DNRC), Fish Wildlife and Parks (FWP)
- Good Neighbor Authority (GNA)
- Sustained Yield Calculation
- Resource Committee
- DNRC Timber Program
- FWP – Wildlife Habitat Improvement Program
 - Policy / Regulatory
 - State Legislature
 - Develop legislative strategies and identify specific legislation
 - In session representation / lobbying
 - Cultivate legislative leadership
 - Provide pertinent information regarding Montana's timber industry for legislators
 - Interim committee meeting representation
 - Wood PAC
 - Forest Practices
 - Logger Training – Montana Forest Council
 - Best Management Practices – Streamside Management Zone program
 - Promote and distribute results of biennial audits

2022 Goals and Objectives

It is critical that the MWPA not only remain responsive to new opportunities and issues as they arise; but continue to maintain a leadership role at the state, regional and national level regarding the development and implementation of policies that positively impact the business and natural resource environment and to engage in public outreach. To that end, the 2022 priorities, goals and objective must reflect this mission.

Priority 1: Increase log/fiber supply within Montana.

Goal: Meet or exceed the USFS and BLM annual harvest target over 2021 levels in Montana.

Goal: Coordinate meetings with industry and state and federal resource managers under the Timber Task Force format.

Goal: Work with the State, Forest Service and BLM to increase projects implemented under the Good Neighbor Authority Shared Stewardship, Farm Bill and Montana Forest Action Plan.

Goal: Work to assure a strategy that identifies deliverables under the GNA, including a volume target, quarterly program accomplishment reports and a feedback loop system between the agencies and the timber industry.

Goal: Work with Montana's State and Federal elected leaders to implement the Montana Forest Action Plan.

Goal: Work with congress to pass litigation reforms and injunctive relief.

Goal: Work to pass or implement the Board of Directors top eight priorities: Full Funding and Implementation of Forest Plans, Litigation Reform, ESA Reform, Salvage CE, Cottonwood 2, Action – No Action, Balance of Harms, Permanent Authority for Priority Landscape CEs.

Goal: Develop a work plan to fully implement the funding coming from the Infrastructure Bill.

Goal: Fully utilize all tools provided by congress and report out.

2022 Goals and Objectives

State Lands:

- Goal: Ensure annual sustained yield target for school trust lands meets the trust mandate of maximizing return for the Trusts, thereby maximizing timber available for harvest.
- Goal: Continue to work with Fish, Wildlife and Parks program to ensure the annual sustained yield target is appropriate for the lands and sale program meets the target.
- Goal: Build upon working relationships with the state Land Board members and staff by attending Land Board meetings and schedule a meeting with the association Board of Directors and the Land Board members and staff.
- Goal: Involve the State Attorney General in GNA and Forest Service projects.
- Goal: Tap into the state's fire fund to support timber and restoration projects on private forestlands.
- Goal: Develop a 2023 Legislative agenda.

2022 Goals and Objectives, Cont.

Priority 2: Monitor and manage regulatory, taxation, policy and trade environment.

- Goal: Attend the 2022 state interim committees and provide testimony on issues of importance. Inform and engage the membership on legislative issues that affect member operations and represent the membership at meetings in Helena.
- Goal: Work with federal regulatory agencies and members of congress to improve the regulatory environment for business.
- Goal: Keep members informed of the development of a new Canadian/U.S. Softwood Lumber Agreement.
- Goal: Resist the expansion of regulation of forest management activities on private land in Montana.
- Goal: Continue to serve as the administrator of the Montana Forest Council – the state implementation committee for the Sustainable Forestry Initiative (SFI) program.

Priority 3: Messaging, communication and outreach.

- Goal: Maintain MWPA as the premier source of information and trusted voice on forest management and forest industry issues at all levels of government.
- Goal: Work with landowner groups to ensure private landowners have the support necessary to keep private lands a productive part of Montana's timber supply.
- Goal: Communicate and engage with other state, regional and national organizations.
- Goal: Maintain a web and social networking presence and the monthly newsletter as an outreach and communication platform that informs members and the public of issues and events of interest.

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