

MISSOURI FORESTRY RESOURCES ADVISORY COUNCIL
Missouri Farm Bureau
Jefferson City, MO
December 9, 2009
Meeting Minutes

Dave Murphy, MoFRAC Chair, welcomed everyone to the meeting and introductions were made. The following were in attendance: Dave Murphy, Scott Brundage, Fred Crouse, Gene Brunk, Jason Green, Brandon Koone, Jerry Presley, J.C. Kuessner, Doug Enyart, Harlan Palm, Doug Wallace, Peter Becker, Richard Strictland, Sam Orr, Shelby Jones, Hank Stelzer, Roy Hengerson, Gene Garrett, Stuart Miller, Gus Raeker, Anastasia Becker, Mike Huffman, Lisa Allen, John Fleming, Steve Thurman, Hank Dorst, Colin Wamsley, Doug LaDoux, Robert Stout, Xu Ming, and Shibu Jones. Sam Orr took meeting minutes.

Dave asked everyone to send their contact information and affiliation to Sam Orr so he can update the roster and share with members.

MDC Forestry Incentive Plans – Stuart Miller led a discussion of possible forestry incentive programs. There are three programs under the MDC Forestry Incentive Plans:

- Missouri Forestry Conservation Incentive Program (which has 4 options for landowners)
- Forest Land Owner, Stewardship Training Program
- Forest Stewardship Training Program for Master Loggers

Missouri Forestry Conservation Incentive Program (four options):

MDC Forest Conservation Easement Incentive

- Voluntary program whereby the landowner receives a cash payment for signing a long-term conservation easement.
- MDC and forest landowners commit to a 25-year, 50-year or a 75-year conservation easement to perform forest management as prescribed in a forest stewardship program. Including forestry best management practices (BMPs) developed by a professional forester.
- A record of the easement is recorded to the warranty deed and conditions of the easement shall remain in effect for the duration of the contract regardless of transfer of ownership.
- Forest landowners receive a one-time, lump sum payment of \$10 per acre for a 25-year easement, \$20 per acre for a 50-year easement, and \$30 per acre for a 75-year easement.
- Eligible tracts are between 10 and 2000 acres. No single land owner can enroll more than 2000 acres.
- MDC agrees to pay for 100% of all forest land management expenses agreed to as outlined the forest stewardship plan for the duration of the conservation easement.

MDC Forest Conservation Reserve Incentive

- MDC and forest landowners commit to a 15-year conservation reserve contract to perform forest management as prescribed in a forest stewardship program including BMPs

developed by a professional forester.

- Enrolled landowners receive a \$25 dollar per acre, per year cash payment for complying with a forest stewardship plan for the duration of the contract.
- A record of the conservation contract is recorded to the warranty deed and conditions of the contract shall remain in effect for the duration of the contract regardless of transfers of ownership.
- MDC agrees to pay for 100% of all forest land management expenses agreed to as outlined the forest stewardship plan for the duration of the conservation contract.
- The Forest Conservation Reserve Program is a **voluntary program** for eligible forest landowners.

MDC Forest Practices Biomass Incentive

- MDC and forest landowners commit to a 5-year, 10-year or a 15-year incentive contract to perform forest management as prescribed in a forest stewardship program including BMPs developed by a professional forester while providing biomass for approved green energy projects.
- A record of the incentive contract is recorded to the warranty deed and conditions of the contract shall remain in effect for the duration of the contract regardless of transfers of ownership.
- MDC agrees to pay \$15 per acre per year to the landowner for complying with all practices and activities contained within the contract and the forest stewardship plan.
- MDC agrees to pay for 75% of all forest land management expenses, except commercial biomass sales, as outlined the forest stewardship plan for the duration of the incentive. Landowners shall to provide harvest data to aid in determining biomass harvest and noncommercial silvicultural activities eligible for reimbursement.
- The Forest Practices Biomass Incentive Program is a **voluntary program** for eligible forest landowners.

MDC Forest Property Tax Relief Incentive

- MDC commits to pay a portion of enrolled forest landowners' property taxes in return for complying with a forest stewardship plan and forestry BMPs.
- Forest landowners commit to a 15-year or a 25-year contract to perform forest management as prescribed in a forest stewardship program developed by a professional forester.
- A record of the contract is recorded the warranty deed and conditions of the contract shall remain in effect for the duration of the contract regardless of transfers of ownership.
- MDC makes direct payments to county tax collectors in lieu of property taxes assessed on forest lands.
- MDC commits to pay 25 % of annual property taxes for a period of 15 years, not to exceed \$2500 per cooperator, per year; and 50% of annual property taxes for a period of 25 years, not to exceed \$5000 per cooperator, per year.
- MDC agrees to pay for 75% of all forest land management expenses agreed to as outlined the forest stewardship plan for the duration of the contract.
- The Forest Property Tax Relief Program is a **voluntary program** for eligible forest

landowners.

Forest Land Owner Stewardship Training Program

- Voluntary training program whereby the landowner receives additional MDC incentive money for completing a series of workshops that are intended to raise public awareness of forestry and forest health and for using certified loggers or forest technicians.
- MDC ties its private forest land incentive program and cost share with participation in the Forest Land Owner Stewardship training. Participating land owners receive \$500 to attend initial Stewardship training and \$100 per year for attending continuing education workshops.
- Professional foresters develop core competencies for certification and develop forest stewardship plans.
- Accreditation shall be performed by a board of professional foresters established by the Missouri Forest Advisory Council or its designates.
- The Forest Land Owner Stewardship Training is a **voluntary program** for eligible forest landowners.

Forest Stewardship Training Program for Master Loggers

- Voluntary training program whereby master loggers receive additional MDC incentive money for completing a series of workshops that are intended to raise public awareness of forestry and forest health.
- Voluntary training and continuing education program whereby the master loggers become certified forest logger or technicians receiving incentives to become and maintain certification status.
- MDC ties its private forest land incentive program and cost share with participation in the Master Logger/ Forest Technician Certification training.
- Certification is tied to logger performance and evaluation in the field and in following forest stewardship plans.
- Professional foresters develop core competencies for certification and develop forest stewardship plans.
- Accreditation and field performance evaluations shall be performed by a board of professional foresters established by the Missouri Forest Advisory Council or its designates.
- The Master Logger / Forest Technician Certification Training Program is a **voluntary program** for master loggers to become certified forest technicians.

Common Points of All

- Each program and program incentive is tied to the development of a forest stewardship plan written by a professional forester.
- Payment is tied to implementation of all operations agreed to in the stewardship plan.
- All plans and reimbursements tied to forestry BMP's and forest stewardship plans, including the use of master loggers.
- Selection of eligible tracts is prioritized by focusing on significant forest resources as identified in the Forest Resource Assessment Strategy.
- Each program encourages involvement in MDC Forestry cost share to implement forest management practices as stated in a stewardship plan written by a professional forester.

- Failure to comply with the agreement, including implementation of the stewardship plan and BMPs result in repayment of all state moneys, including penalties and reimbursements for state administrative time.
- Landowners have all rights of access and of use as long as these uses do not conflict with the stewardship plan or result in the conversion of forest land to other uses.
- Conversion of forest land enrolled in these programs to alternative uses results in complete reimbursement and penalties.
- Agreements are attached to the property warranty deed; therefore transfer of ownership or leasing transfers contractual obligations to the subsequent operators.
- Each program is voluntary.

Gene Garrett asked about the possibility of working with federal government. Lisa noted that the next Farm Bill is the best opportunity. Scott Brundage asked why we would need legislation. J.C. Kuessner gave an example of hunter in Idaho and concern over the loss of forestland for hunting. Jerry Presley noted that we need to work on efforts back home – messing with federal budget is a long process. MDC cost share is largely for wildlife, and a bigger share should be redirected to forestry. Gene Brunk noted that we need to look at Missouri capital gains and property tax assessment laws and enforcement of those laws. Consistent tax laws are important. The assessed rate could be addressed through the legislative tax process.

J.C. Kuessner noted there are 60 members of the Forestry Caucus in the general assembly. We need to involve all stakeholders including environmental groups. He felt there would be interest in legislation. Kelly Smith added that taxes on cropland is likely to increase. Peter Becker noted he liked Stuart's approach that includes a "menu" of options for landowners. He suggested we not wait for the Farm Bill but look for other funding such as forestry endowment or MDC timber sale revenues. Stuart noted he will be finalizing some of these ideas by mid-January and have a report by July. Send comments to Stuart by early January.

Thousand Cankers of Black Walnut Disease – Collin Wamsley and Doug LeDoux gave a presentation and distributed a Questions and Answers summary on the disease. They noted that since it is a native complex, federal quarantine cannot happen – it will be up to the states to set up quarantines.

Missouri's cooperative response – the Emerald Ash Borer team will meet and initiate a response, and the US Forest Service is working on outreach pieces.

Doug LeDoux reported that concerns about wood being sold in Ebay for wood workers, if bark is left on, since beetles can survive up the 3 years. They have been reaching out to Ebay Green Team and legal services to deal with the potential liability. The Nature Conservancy is developing a draft for Ebay regarding phyto-sanitary protocols. Ebay seems interested and cooperative and is exploring pop up ads that will announce quarantines or phyto-sanitary protocols. He added that they are also trying to address other pathways and figure out how to

tackle them. Gene Garrett asked what the legal penalties if you violate the Missouri plant laws. Doug noted that it's up to individual states, but in Missouri it's only \$1,000 fine or 1 year in jail. Gene noted that Mark Gogshell is working with CSU to test Missouri genetic stock. HARC has the broadest black walnut germplasm repository in the US and is working with the University of Colorado to see if any natural resistance can be found.

Harlan Palm noted that the Missouri Walnut Council, David Boyt, and Skip Morgilia are working on outreach through wood working magazines. John Tuttle noted that the loss over 20 years to Missouri is over \$500 million, which most think is a conservative estimate. Lisa added that this is significant and we need to be very aggressive.

Biofuels Project at University of Missouri Power Plant – Hank Stelzer reported they will be receiving DNR permits this month and construction will begin in 2010. They are working to secure contractor to install systems. Dwyer is in Portland and Hank will be traveling to St. Paul to look at a city system. The demand for mulch has gone downhill in urban areas. Urban wood waste is hard to come by now. They are looking at working with landowners to plant monoculture, fiber farms (willow and poplar). Wood processing will not take place on site, and will not be subject to cap and trade legislation because it's too small. The University has made a commitment to procuring from sustainable resources.

Missouri Biomass Fuel Overview – Shelby Jones gave a update from the last meeting. The problem is nobody overlooking the entire process of where potential locations for biofuel facilities. Shelby presented a map of facilities he knows about with a radius depending on fuel consumption. There are no residuals available in the state. Estimates of availability are extremely conservative. These facilities will be supplied by in-woods chipping crews – to start up would cost about \$1 million. He noted every facility has some sort of sustainability requirements of the procured wood – we don't have the consultant foresters to cover work load. Delivered prices of chips will likely be between \$25-\$50 per ton. In Maine, energy chips average about \$35 per ton. Cost to get chips from the woods to mill is \$12-\$15 per ton.

Discussion ensued on what payment to a landowner will it take to get them to allow woody biomass to be harvested off their land. Kelly Smith added that landowners need to be higher up the value chain than just raw wood providers. Perhaps wood supply cooperatives would be a tool to use. Most of the large companies that may come on-line will likely have to invest in building the infrastructure like finance equipment for producers.

Nominating Committee Report – Gene Garrett gave the nominations as follows:

Chair – Scott Brundage
Vice Chair – Steve Mahfood
Secretary – Sam Orr

Discussed ensure about whether the bylaws state that the vice chair automatically moves into chair position. Gene noted there is nothing in the bylaws, but suggested we look at the bylaws

next year.

Nominations were closed, and slate elected by acclamation.

DNR Renewable Energy Proposition C -Scott Brundage asked how MoFRAC can respond to call for comments for DNR's proposed rule to deal with Proposition C? Scott contacted Charlie Pappas, DNR Energy, who sent out the notice. Scott provided Mr. Pappas a copy of our MoFRAC policy on biomass harvesting. Hank Dorst noted there is some language in the bill that is favorable to sustainable forestry. Peter Becker added that a public comment period never happened, was not publically announced.

2010 Topics – the following topics were suggested:

- Missouri University of Science & Technology is working with forestry and wood technology development, possibly Virgil Flannigan.
- Results of salvage operations from May 8th storm. John Tuttle will lead.
- Updates on Thousand Cankers Disease.
- Global marketing efforts as it pertains to forest products (MDA)
- Tree farm as it pertains to county assessors
- Forest certification programs
- Landowner education and outreach.
- Forest Resource Assessment & Strategy
- Liberty Green Renewables
- Forest Technicians and consulting forester shortage
- Invasive species
- Timber trespass
- State parks – lack of forest management
- Forest grazing
- Timber price report
- Woodland insurance (Davis Garvin)

Dave will send list to members so all can assign priorities to the list. He asked that you send suggested topics to him by January 15th to prioritize.

MoFRAC Letterhead Design – Gene Garrett presented a final draft of the MoFRAC letterhead. The design was approved. Gene will send an electronic copy of the letterhead to the MoFRAC secretary. The secretary will provide this document to the chair for use.

Open Discussion

- Gene Garrett introduced Shibu Jones, PhD, the new Director of HARC, who will replace Gene as HARC's representative to MoFRAC. The group welcomed Shibu.
- Hank Stelzer noted we need to interface with the Forestry Caucus more.
- Doug Wallace discussed 303 Applicants received for forestry activities on 800,000 acres under the Conservation Stewardship Program.
- Dave Murphy noted the Conservation Federation of Missouri Annual Conference will be

February 26-28 at Lake of the Ozarks. Friday's discussion will be water issues.

- Dave also thanked Missouri Farm Bureau for hosting today's meeting, and thanked them for their support of MoFRAC during the past year.

- Shelby Jones congratulated Dave Murphy for being selected as one of the 25 Most Influential Persons in Fishing and Wildlife. Gene Garrett also thanked Dave for his leadership of MoFRAC this past year, and all members applauded.

Scott Brundage reported the next meeting will be Thursday, March 11th in Jefferson City from 10:00-3:00 (location to be determined).

With no further business, the meeting adjourned.