

Missouri Forest Resources Advisory Council (MoFRAC) January 24, 2008 Meeting Minutes

Dr. Gene Garrett, Chair, called the meeting to order at 1:00 p.m. at the Conservation Employee Credit Union meeting room. All present were provided a copy of the proposed Council by-laws and a list of member organizations and their voting members. All persons present introduced themselves and identified the organization each represented. A sign-up sheet was sent around the room to collect accurate contact information for everyone.

MoFRAC By-Laws

The Chair requested the by-laws be reviewed section by section for possible amendments before being voted on for final approval. In order of occurrence in the by-laws, the following changes from the version provided at this meeting were approved. The final, approved version of the by-laws will be sent to all members and posted on the MoFRAC website: <http://www.confedmo.org/MOFRAC.html> .

- In the title, the word “Proposed” was dropped and the date will be changed to January 2008.
- In the Purpose statement a comma and the word “productivity” was added after the word “health”.
- Under Functions in the second bullet, the comma was moved from behind the word “benefits” to behind the word “challenges”.
- Under B., Council Officers and Organization at the end of the paragraph regarding the Vice-Chair, the sentence, “The Vice-Chair shall also serve as Parliamentarian.” was added.
- Under B., Other Committees, in the fourth sentence, the word “consensus” was replaced with the words “simple majority”.
- Under C., Council Membership, “USFS – North Central Experiment Station” was changed to “USFS – Northern Research Station Columbia Field Station”.
- Under E., Council Meetings, Frequency and Location, the fifth sentence, “No voting or formal action shall be taken by the Council during phone or video-conference meetings, except as approved by the Executive Committee.” was deleted.
- Under E., Council Meetings, Agendas, the final clause in that paragraph “, provided any additions to the agenda do not require a formal action by the Council at the meeting” was deleted.
- Under I., Council Finances, Member Expenses, the first sentence, “All Council members shall serve voluntarily and shall not be compensated by the Council or any member agency, for their time, travel or expenses.” was deleted.
- Under J. Adoption and Revision of By-Laws, in the second sentence, the number “10” was changed to “20”.
- Page numbers will be added to the final document.

After these changes were approved, the amended by-laws were voted on and approved.

Biomass Harvesting BMPs

John Tuttle, Missouri Department of Conservation (MDC) Forestry Field Program Supervisor, provided an update on work being done under a US Forest Service grant to develop best management practices (BMPs) for woody biomass harvesting. Other partners in this grant activity are the Top of the Ozarks Resource Conservation and Development Council (RC&D), Big Springs RC&D, Bootheel RC&D and the Eastern Ozarks Forestry Council (EOFC). These partners have established a working group titled The Biomass BMPs Committee and a website has been developed where all their activities and products are being posted. The group's website is:

<http://mdc4.mdc.mo.gov/applications/MDCLibrary/MDCLibrary2.aspx?NodeID=2055>

Interest in using Missouri's woody biomass resources for energy and fuel production is growing and a need was seen for creating guidelines, Best Management Practices, for harvesting this resource in an environmentally sustainable manner. An initial stakeholders meeting was held in October, 2007 to receive input as to essential issues needing to be addressed through the development and implementation of biomass harvesting BMPs in Missouri. Since that meeting, a 16-member technical committee has been established and divided into eight sub-groups that will investigate how biomass harvesting BMPs can best address the issues of Aesthetics/Tourism, Forest Management, Riparian Corridors, Human Elements, Soil, Wildlife, Economics and Water Quality. (Originally, a ninth sub-group on riparian issues was suggested, but those issues were merged into water quality and other groups.)

The next meeting of the Technical Committee is scheduled for February 21, 2008. Check the website for future developments. A rough draft of the BMPs is expected by mid-March 2008 and will be presented to stakeholders for comment and input. A final draft should be available for review by early July 2008 and hopefully the products will be final by October 2008. The Biomass BMPs Committee feels the final products must be written so that landowners, loggers and professional foresters can easily understand and implement the BMPs.

Mr. Tuttle asked for input from interested parties regarding how willingness to implement the finalized BMPs might best be accomplished. Ideas can be sent to john.tuttle@mdc.mo.gov .

State Forestry Law

Lisa Allen, MDC State Forester, updated the Council on work that has been done relative to updating the Missouri forestry law. Near the end of the 2007 legislative session, MDC Forestry Division began discussions of revising the state forestry law. During June of that year stakeholder input was sought regarding such an update. Three separate drafts were developed for discussion purposes but none of the versions was seen to be acceptable by a majority of stakeholders. At this point, Forestry Division put aside work on a revision.

Ms. Allen expressed a need for more research into all aspects of a law revision and a higher level of coordination with other state agencies in the process. Rather than pursue

any attempts at law revision during the 2008 legislative session, MDC Forestry Division is working to assign an existing staff person to work full time, for a period of two to three years as necessary, to be the point person to work with stakeholders and shepherd the law revision process. The forestry laws of other states will be researched as a part of this person's duties. MoFRAC members agreed that MoFRAC should, and will gladly, serve as a key source of stakeholder input to the process of revising Missouri's forestry law.

Bio-Energy and Other Ongoing Forest Product Issues

Brian Brookshire, Executive Director of the Missouri Forest Products Association (MFPA), stated that with the exception of railroad ties Missouri's traditional lumber markets are under stress. Prices have declined 32 to 34 percent and costs have risen by 32 to 34 percent.

Activities currently ongoing at MFPA include conduct of a small-scale harvesting study with Auburn University and the University of Missouri-Columbia (UMC). Auburn is currently testing small-scale harvesting techniques and machinery in Alabama and this same machinery will be tested in July at sites on the USFS Poplar Bluff Ranger District. Among the information being sought in this study is which entities can make how much money when small-diameter woody resources are harvested for use in biomass industries.

This study is timely because Missouri hospitals, utilities and other commercial interests are looking very intensely at using wood for heating, cooling and energy production. Answers are needed to the question of how wood can be affordably delivered to such customers.

Missouri's Office of Administration is looking at the possibility of converting some of the State's prisons to wood energy for their heating and cooling needs. And, Dynamotive, a Canadian firm, has announced intentions of building a wood to bio-oil plant at Willow Springs and developing a mid-west market for heating oil.

MFPA also hosted a seminar for interested legislators January 17, 2008 to educate them as to the level of interest and the technologies involved in using wood for energy and fuel production. Legislators are interested in the potential of such industries.

Terry Maglich, Business Development Manager-Energy Industry at the Missouri Department of Economic Development (DED), told the group about the establishment of the Missouri Energy Leadership Council. This group is a collaboration of state government agencies and businesses to discuss how jobs and investment might be enhanced through wise choices in Missouri's energy mix. The entire spectrum of energy needs, challenges and opportunities is open for discussion. Missouri needs to be globally competitive in its energy rates and to protect its natural environment to compete in the global marketplace. Business members expressed frustration with the new federal energy bill as they feel it gives no guidance as to what energy choices should be made. They hope that this Energy Leadership Council can help them define an energy direction they can follow to everyone's mutual benefit.

Mr. Brookshire ended his comments by stating that Missouri must always remain focused on the long-term impacts of a new biomass industry on the traditional forest product industries and the quality of our environment.

Forestry Legislative Issues

Mr. Brookshire mentioned that Senate Bill 838 regarding subsidies for production of ethanol from cellulosic materials is being considered again this session. It adds cellulosic feedstocks to corn as an approved Missouri feedstock eligible for producer incentive payments. For a coop to receive these payments it must be 51 percent owned by agricultural producers, forest landowners, and sawmill owners are considered ag producers. This statute would include language requiring that woody biomass used at such a facility be produced in a sustainable manner. When questioned by Dr. Becker, Mr. Brookshire stated that he would not necessarily feel compelled to discuss with the MoFRAC legislation initiated by MFPA and affecting forest management issues prior to its submission.

Mr. Dave Murphy, Executive Director of the Missouri Conservation Federation, added that the budget process has begun and is being tracked.

Public Input, Comments

Dr. Garrett asked Mr. Hank Dorst, Mark Twain Forest Watchers, if he had any items to share with the group. Mr. Dorst discussed the public meeting at West Plains where Dynamotive presented its business plans for the Willow Springs area. He explained that he had hopes that Dynamotive would be a champion of good forest management. However, the company did not make any promises that it would require sustainable production and harvest practices of the gatewood it would purchase. He is sure that a Dynamotive plant in Missouri's Ozarks would impact forest management, but he isn't sure whether that would be a positive or a negative impact.

Other Announcements

Dr. Hank Stelzer, Extension Forester at UMC, informed the Council of work being done under a USFS Jump Start grant intended to raise awareness of the potential of biomass-to-energy as an industrial development and forest management strategy at the community level. Three public meetings will be held March 6, 7 and 8, 2008 at Cuba, Fredericktown and Thayer, respectively. At these sessions local leaders and stakeholders will be provided background on the status of forest resources in their area and the potential of emerging wood-to-energy technologies to help improve their communities. After these meetings, the local leaders, with help from Extension specialists, will work to identify questions and issues needing clarification in their communities if they are to consider seeking such industries in their locales. If sufficient interest is found, a second meeting will be held in each community to identify next-steps and identify a process to be followed to pursue the potential of wood-to-energy in their area.

He also mentioned that he had recently received word that Section 9019 of the Farm Bill is being considered for deletion. This section currently authorizes expenditures for the

Forest Biomass for Energy Program and the Community Wood Energy Program. Grass roots statements of support are needed to get the programs and funding continued.

Richard Stricklin, Top of the Ozarks RC&D, expressed concern that despite the efforts of federal and state agencies the message of active forest management is not being received, or at least not being implemented at a meaningful level. He suggested that if the Center for Agroforestry publication Green Horizons could be sent to all Missouri forestland owners that information could begin to raise levels of awareness in these folks and lead to more forest management being implemented in Missouri. He acknowledged that funding would be needed to both gather the names for the mailing list and to pay for the production and mailing of a much larger number of copies of Green Horizons.

Dr. Garrett informed the Council that he is planning on including an agenda item at the Council's next meeting regarding the need for improved outreach to forestland owners.

Tom Westhoff, Ruffed Grouse Society, announced that that group in conjunction with MDC will be holding a Private Landowner Forest & Wildlife Workshop on Saturday, April 19, 2008 regardless of weather conditions. For more information please contact Josh Stevens, MDC Forester, at 573-592-1400 ext. 4. RSVP is requested by April 14 so they can plan the correct number of lunches.

Lisa Allen commented that bioenergy production is a big issue and MoFRAC must keep ahead of this industry's development so that this new industry can result in improved forest management, rather than resource exploitation, in our State. This will require our best efforts to educate landowners and industry regarding proper forest management for long-term forest sustainability. She also mentioned that USFS funds will allow MDC to initiate a "Call Before You Cut" education campaign aimed at informing forestland owners of the benefits of using a professional forester before agreeing to sell timber. She also is working towards a higher profile forestry outreach program from Forestry Division.

Mike Hoffman, MDC Forestry Division, recommended the Council Chair send a letter to the General Assembly informing them of the creation of MoFRAC and what its purpose is. MDC's All Outdoors can also be used as an outlet for that announcement. Sam Orr suggested that a news release could be sent out to news outlets and that the Department of Natural Resources might also include an article in its magazine, Missouri Resources.

Peter Becker, Research Coordinator for the EOFC, shared that carbon credit markets and their requirements for documented forest management will be the tool that can unite the entire forestry sector in implementing sustainable forest management in private forests. He feels action is needed now in Missouri so that we can be ready to access these credit markets as the value of these credits increases. (Dr. Becker has prepared a report on this issue and that report was emailed to all members previous to the January 24, 2008 MoFRAC meeting.) In that report, he suggests that MDC should consider using \$2 million of funds from the Taum Sauk Reservoir settlement to fund research and development of cost-effective methods of creating base-line inventory sets for carbon

credit applications. He also feels that the Tree Farm System holds the best promise as an affordable process for owners of small forestland tracts to document their eligibility for carbon credits.

Steve Mahfood, The Nature Conservancy and Tatanka Resources, added that already 20,000 acres of forestland in Missouri has been entered into the carbon markets, at just \$2.00 per ton, a figure that he feels will easily move to \$15 a ton and more. He will be briefing Missouri's congressional delegation in late January on carbon market activities in our State. Mr. Mahfood moved, and Mr. Stricklin seconded the motion that MoFRAC establish a Carbon Credits Sub-committee to work on these issues. The motion passed. The Chair will appoint such a committee and the following persons volunteered to serve: Hank Stelzer, Steve Mahfood, Peter Becker, Paul Strong, Doug Enyard, Scott Brundage, Anita Randolph and Steve Westin. The Secretary offered his assistance to the committee.

Next Meeting

Dr. Garrett reminded Council members to provide suggestions for agenda items for the next meeting. He also asked that all Council members provide the name and contact information for their appointed alternate to the Secretary.

Discussion was held regarding the timing of the next meeting. Mr. Stricklin pointed out the need to allow sufficient time for any committees to get their work done before the next meeting so that the Council can deal with issues identified and not bog down in background work.

The Chair will work to identify a meeting date approximately six weeks from today's meeting. The Council members agreed that Thursday afternoons at 1:00 p.m. would be the desired meeting time.

In closing, members pointed out three meetings of interest to this group are all occurring on the days of February 22 and 23, 2008. The Conservation Federation of Missouri annual meeting (<http://confedmo.org/cfmnews/modules/piCal/>) is at the Lodge of the Four Seasons; the Missouri Woodland Owners Conference (<http://www.moforest.org/education/treefarm.html>) will be held at the Courtyard by Marriott, in Columbia; and the Ozarks New Energy Conference (www.ozarksnewenergy.org) will be held at the Drury University Hotel in Springfield.

Adjournment

Meeting was adjourned at approximately 4:00 p.m.