



AFHC

Allegheny
Forest Health
Collaborative

**PA House Majority Policy Committee Hearing
“Exploring Hardwood Forestry Issues in Pennsylvania”**

Hardwood Low-Grade Management & Markets Testimony

The 14 county AHUG region of Northwest & North Central Pennsylvania is known for the highest quality hardwoods in the United States. High-quality and high-value hardwoods grab all the headlines, but today’s discussion is on how low-grade hardwoods have helped create and advance our high-quality hardwoods into what they are today as well as the role they have on helping to sustainably create new, high-quality hardwood stands for future generations to manage and enjoy.

Sustainable forest management depends heavily on low-grade hardwood markets to produce high-quality hardwood timber throughout a tree’s life cycle. Simply stated, sustainable forestry is managing forests to meet the needs of the present without compromising the ability of future generations to meet their own needs; this varies when applying forest management in an immature or developing forest vs. mature/over-mature forest. In each example, whether a developing or mature forest, low-grade markets are critical to manage the forest effectively, economically, and sustainably for the benefit of current and future generations. First, we must understand that most of PA forests originated from clear cuts done between 1880 and 1920. This means most of our forests are 100+ years old. From the 1930’s to the 1980’s, most harvesting was done as silvicultural thinning treatments. In these young stands, removal of competing low-grade timber helped promote growth, health, and quality of the existing and future stand. From the 1990’s to today, the majority of our forests have grown to become mature to over-mature. The silvicultural recommendation changes in these mature stands from future growth to regeneration, ensuring the renewable resource for future generations, is established creating a new vibrant, young stand. In a mature forest, removal of low-grade material will allow adequate sunlight to reach the forest floor stimulating germination and establishment of desirable tree seedlings from the high-quality overstory trees. This silvicultural treatment is referred to as shelterwood harvest and is most commonly applied today because the majority of PA’s forests are mature. Keep in mind, these are two simplified examples of forestry practices to provide a good foundation of understanding knowing that stand conditions may require additional treatments beyond these general approaches.

The 14 county AHUG region has had a stable low-grade hardwood market for over 130 years with the establishment of the Clarion Pulp & Paper Co. here in Elk County in 1889. Clarion Pulp & Paper underwent many ownership and name changes prior to 1990 when Willamette Industries purchased the facility investing in a major modernization overhaul. In 2007, Domtar purchased the mill after briefly being owned by Weyerhaeuser. Hamermill Paper Co. was founded in 1898 in Erie, purchased by International Paper in 1984 and unfortunately closed in 2002. But when one door closes, another door opens with Clarion Boards, Inc. being

established in Shippenville in 2004. There were several others in the 2000's including Georgia Pacific MDF Plant in Mt. Jewett and Stella Jones in DuBois as well as several wood pellet manufacturers, pellet mills, chipping operations, etc. It is always important to consider new outlets for low-grade hardwood as society and demand for various products change.

However, the most interesting discussion of historical low-grade hardwood markets, supported with a constant supply of material from managing foresters and landowners in Northwestern/North Central Pennsylvania for over 100 years, is the commitment and dynamic between them. The start of the paper mills in the region in the late 1800's was obviously due to the supply of low-grade material but starting in the 1930's, foresters with a vision of stand management began understanding thinning techniques, previously discussed above, to remove low quality hardwood keeping the paper industry alive and setting the stage for the growth of our high-quality hardwood stands today. Research began for the U.S. Forest Service at the Kane Experimental Forest in 1932 studying the benefits and promoting stand development silviculture. The Allegheny National Forest was established in 1923 with the premise "Land of Many Uses", including the sustainable production of renewable timber resources for current and future generations along with the PA State Forest and PA State Gamelands growing in this era bringing an established presence of forest management ideas. Through the 1940's and 50's, industrial, municipal, and private land purchases picked up embracing the forest management techniques being researched to thin low-grade hardwoods promoting high-quality future growth.

This collective forest management practice enabled low-grade hardwood markets to continue enhancing the forest condition. As researchers and forest managers realized in the late 1980's through today, a new era of forest management was necessary as timber reached maturity. The low-grade market, once geared towards promoting growth, was now necessary to remove additional trees to promote desirable hardwood regeneration. The commitment, by foresters, to actively manage forests, helped keep low-grade markets in place for the even-more critical task of preparing mature stands to regenerate. Over the last 20 years, additional outlets for this low-grade material have come online providing options to forest managers. Many other areas of the state unfortunately do not have the same history as the Allegheny Plateau region. Few low-grade options, or none, exist making it expensive or nearly impossible to manage forests in other regions. Industry failed mainly due to supply disruptions, which put most operations out of business. The constant supply of low-grade material by a diverse landowner group in our region including private, state, federal and municipal lands, have enabled this region to keep these markets available. The supply of material, by all ownership types, is critical to the future of both low-grade hardwoods markets and sustainable forest management. In areas of the state where there are no or few low-grade markets, it has led to "high grading" and an overall lack of sustainable forest management.

Even in our region where access to low grade markets is considered good, the cost of implementing sustainable harvests is high especially with private managers and industrial/investment landowners who bear economic cost to sustainable forest management. Even though the low-grade material can be harvested and sold, it doesn't bring revenue to the manager and is considered in the cost of management. For example, as I am preparing a shelterwood harvest, half of my time is spent marking low-grade trees that a buyer cannot pay any value for but goes along with the sale. As the forester, I am happy that at least the buyer is willing to cut the low-grade trees and can resell them but after the labor of cut, skid, and haul there is nothing left to pay the landowner. The management gets done but no revenue goes toward the forester who took half the day to mark it, the cost of paint to mark the trees or the cost of fuel for the pickup truck to get to the job. For a private company or for a government agency practicing sustainable forest management, half their time is spent with no revenue for their effort. The reward is a healthy productive forest from our effort.

In conclusion, forest managers are pleased to have low-grade hardwood market options to implement sustainable forest management, but markets could always be a better source of revenue for landowners. Support for low-grade hardwood markets is critical to sustainable forest management. As we learn from history, a constant supply of low-grade material will ensure the industry's survival developing various markets so the good work of forestry continues. It is important, as policy makers, to understand the challenges we face in our forests and the importance of the various markets we depend on to manage our forests sustainably.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Saf". The signature is stylized and cursive.

John Saf

Generations Forestry, Inc.
Vice President