**NAASF Forest Utilization Committee Updates:**

**Core funding project:** “Sustaining forest industry and diversifying markets” is a reoccurring theme in many State Forest Action Plans, yet state forest utilization programs struggle with competing state budget priorities and the loss of institutional knowledge and expertise through retirements. USDA Forest Service (USFS) funding for state utilization programs ended in 2004 with the elimination of the “Rural Development Through Forestry Program.” Core funding from the USFS dedicated to state forest product utilization programs would help states maintain and build their forest utilization programs. Forest utilization is the necessary price to forest management, without utilization of forest products, forest management practices are difficult to achieve. In FY 2016 and 17, a subcommittee was formed with a State Forester advisor to begin investigation of options and opportunities to provide core funding to state utilization programs. The committee developed a core funding proposal that was delivered to the State Foresters at the July and submitted a multi-state LSR grant proposal that was submitted in FY

2017. The 2017 LSR grant proposal was unsuccessful but was ranked 25th out of 52.

Moving forward the committee plans to:

* Continue to advocate for non-competitive core funding for state-level utilization & marketing programs.
* Continue to pursue competitive grant funding as a temporary solution. Revise and re-submit the LSR grant application with consideration for reviewer’s comments, with additional focus on national issues/elements i.e. restoration, fuel reductions, market exploration for CLT, URBAN WOOD, energy, forest health as well as sustainability, resiliency, climate change. MIDNR is the lead for this grant proposal. We have 13 states in for this grant application for FY 2018.

**Regional industry directory project:** Recognizing that forest products are traded on a regional basis, Committee has developed a proposal for creation of an internet-based forest products directory similar to the one that Southern states has for use by buyers in the wood products marketplace and by forest managers wishing to sell timber products. A work group led by Dhungana has developed a report that has been delivered to the State Foresters at the July 2017 NAASF meeting. A LSR grant proposal was developed and submitted in FY 2017 to fund the project but was unsuccessful.

Moving forward the committee plans to:

* Revise the regional industry directory grant proposal as a LSR or Wood

Innovations grant application.

* The revised project proposal will incorporate feedback from the LSR grant reviewers and be

refocused to address national issues.

**Wood basket analysis training project:**

Wood basket analyses are typically conducted in support of economic development requests from

private and public stakeholders, and to understand forest resource conditions and wood use. State

agency staff are often involved in servicing such requests, yet with recent turnover in staff due to

retirements and recent improvements in technology and information resources many states could benefit from a refresher on analysis techniques and methods. A grant proposal was led and applied to LSR grant opportunities in FY 2017 by MNDNR. Grant was approved. Committee will develop and coordinate wood basket analysis training that is planning to be held in conjunction with the Spring 2019 Committee meeting in Vermont.

**Regional economic analysis of the contributions of forest products industry project:** The committee developed a FY17 LSR grant application to fund a regional economic analysis of the industry contributions in the 20 NAASF states using IMPLAN data. The project will document the contributions of industry in the North and help tell our story – why forestry and forest products industry is important. 18 participants (17 of the 20 NE states, plus Nebraska), and Ontario, Canada as a self-funded partner. Deliverables will be a regional report, 18 state level reports plus one for Ontario, and state-level one-page summary bulletins. The grant was approved an awarded to the participating states and work as begun to contract an economist capable of the conducting an IMPLAN analysis.

**Regional forest products utilization issues:**

* Limited markets for small diameter woody materials/ woody residues
* Need for new and emerging markets for underutilized materials
* Industry workforce development
* Declining pulp and paper mills/ need of new and innovative markets for pulpwood
* Hardwood export market and new challenges in export business
* Training needs for new coming U&M specialists
* Training needs on mass timber market and its application
* Limited opportunities for learning how to do sawmill studies, log and lumber grading etc