



# WISCONSIN COUNCIL ON FORESTRY

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## **The Future of Wisconsin's Forest Products Economy Regional Economic Diversification Summit (REDS) Visioning Document**

### **Background:**

The forest products industry in Wisconsin provides more than 63,000 full- and part-time jobs and has a total industry output of \$24.4 billion and value-added of \$6.7 billion. It ranks 11th in terms of number of full- and part-time jobs, 9th in value-added, and 3rd in industry output in the state. Every ten jobs in the forest products industry support additional fifteen jobs in other sectors in the state.

The forest products industry:

- is the number one employer in seven counties.
- is one of the top ten employers in 29 counties.
- is the number one industry for value-added in seven counties.
- is one of the top ten industries for industry output in 37 counties.

Forest based recreationists annually spend an estimated \$2 billion within Wisconsin communities. This spending stimulates the economy further and it is estimated that forest-based recreation is a \$5.5 billion dollar industry.

Wisconsin's forest industry plays a critical role in supporting the sustainable management of the state's 17 million acres of forest land that covers 41 percent of the state's total area. Healthy and vigorous forests provide essential wildlife habitat, help to ensure clean water and air, and are critical to addressing climate change.

While the state's industry historically has been durable and diversified, mounting challenges have put this continued hardiness and all of the benefits at risk. The Verso Corporation announced in June 2020 that it would shut down mills in Wisconsin Rapids and Duluth Minnesota, laying off about 900 workers in Wisconsin Rapids and 100 in the Duluth-Superior area. The "Rapids" mill is more than a century old and has been a fixture of not only the Wisconsin Rapids area, but of the state's entire pulp and paper industry, purchasing an estimate 25 percent of wood sold by landowners in Wisconsin.

Solid wood sawmills also face challenges from alternative products, and global economic and political challenges and diminished overseas markets. Stresses on the paper and sawmill industries were exacerbated this past year with the COVID-19 pandemic. Members of the forest industry strive to continue operating and thriving despite these challenges, and some are looking toward the future for new market opportunities. Efforts to transition toward a modern, sustainable bioeconomy that supports growth while protecting long-term forest health are underway in a cooperative working group formed by the States of Michigan and Maine, and Finland. Advancements in bioeconomy and clean technologies have the possibility of supplementing and advancing traditional forest products industries.

Wisconsin has a strong forestry community dedicated to supporting the industry and the sound and sustainable management of our forest resources. Numerous groups, associations, agencies, and organizations have worked cooperatively together for years to support and advance Wisconsin forestry. This community is well poised to continue these efforts.

#### **REDS Process Goal:**

This cross-sector collaboration will engage stakeholders across Wisconsin's forest products economy to identify priorities that will help the state better understand and capitalize on enhancing existing timber industries and establishing new market opportunities for Wisconsin's forest products.

#### **REDS Background:**

The U.S. Economic Development Administration (EDA) oversees the Regional Economic Diversification Summit (REDS) process, which helps local and regional stakeholders leverage federal programs to advance locally-identified economic development priorities. The REDS process aims to catalyze project implementation, utilizing regional partners' Comprehensive Economic Development Strategies (CEDs). A state or region must have established clear priorities before planning a REDS event.

#### **Leadership:**

The Wisconsin Council on Forestry (CoF), at the request of Governor Evers, will lead this initiative, with the Wisconsin Economic Development Corporation (WEDC) and Department of Natural Resources (DNR) providing administrative, planning, and technical support. The Regional Planning Commissions (RPCs) with forestry activities in their regions will be integral to this effort, as their CEDs will help to identify priorities.

A strategic planning team will help drive day-to-day progress and liaise with the EDA and the larger stakeholder group. This team includes:

- Council on Forestry: Tom Hittle - Chair, Matt Dallman- Vice Chair
- DNR: James Yach – N. WI Director, Heather Berklund – State Forester, Dr. Ram Dahal – Forest Economist, Logan Wells – Forest Products Specialist
- WEDC: Sam Ridders – Deputy Secretary, Rachel Best – Director of Events, Kietra Olson – Rural Initiatives Manager
- RPCs: Crystal Rohde – Business Development Specialist (NWRPC) & Visions Northwest Regional Economic Development Administrator, Kevin Englebert – Assistant Director (ECWRPC), Sydney Swan – Economic Development Planner (BLRPC)
- University of WI: Dr. Paul Fowler, Wisconsin Institute for Sustainable Technology, UWSP
- Senator Baldwin's Office: Brian Conlan – Sr. Economic Policy Advisor

**Stakeholder Engagement:**

It is a priority to engage and seek input from a cross-sector group of forestry stakeholders from industry, community, education, government, landowners, environmental, and non-profits. The Council on Forestry's membership provides a starting place for engaging a diverse group of stakeholders, but casting a wider net will ensure the full diversity of Wisconsin's forest products economy is engaged.

**Existing Resources:**

This initiative will incorporate and build off existing resources, including, but not limited to:

- Wisconsin's Statewide Forestry Action Plan (2020)
- Wisconsin Forest Practice Study
- County Forest 15-Year Comprehensive Land Use Plans
- Comprehensive Economic Development Strategies created by the RPCs
- DNR's Economic Contribution of Forest Products Industry to Wisconsin Economy (2020); and
- FOR/Maine Vision and Roadmap for Maine's Forest Products Sector (2018).

**Expected Outcomes:**

Outcomes for this overall process are envisioned to include:

- Generally, a cohesion of all stakeholder interests and efforts towards supporting the Wisconsin forest industry and sustainable management of the state's forest resources.
- The identification of existing resources that can inform future efforts, decisions, and policies to guide the strengthening of the state's forest industry.
- The identification of gaps in knowledge, resources or other areas that are impacting or could inhibit efforts toward strengthening the state's forest industry.
- Following initial stakeholder input and investigations, develop a blueprint for a process to identify targetable initiatives or identify existing priority initiatives sufficient to begin the REDS process.
- Launch a REDS in order to explore Federal and other resources that would support moving priority initiatives forward.

**Timeline:**

- December 2020: An initial meeting was held between the CoF, DNR, WEDC, RPCs, EDA, Senator Baldwin's Office, and Maine Development Foundation.
- February 2021: Strategic Planning Team convenes.
- May 6<sup>th</sup> and May 11<sup>th</sup>: Public listening sessions.
- May 3<sup>rd</sup> through May 13<sup>th</sup> : Stakeholder listening sessions.
- Summer 2021: Listening session comments distilled and summarized. Council on Forestry recommends initiatives for the REDS.
- Fall 2021: REDS held.

**Contact:**

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