

04 - 0487 **Report to the State Executive Council**  
**Status of the State Timber Sales and Timber Management Programs**  
**for Fiscal Year 2003**

**Submitted October 2004**

This report to the State Executive Council details the status of the state timber sales and timber management programs administered by the Minnesota Department of Natural Resources, Division of Forestry at the close of Fiscal Year 2003 (July 1, 2002—June 30, 2003). It is required annually by Minnesota Statute § 90.041, Subdivision 3.

Timber Sales

Type Of Sale	Number of Sales	Volume Sold (M Cords)	Vol. Harvested (M Cords)	Actual Receipts (M \$)
Informal	233	27.3	26.6	\$ 453.7
Int. Auction	483	278.1	296.1	\$ 7,553.4
Reg. Auction	315	390.1	425.3	\$ 10,457.4
Sale Totals	1,031	695.5	748.0	\$ 18,464.5
			Trespass	\$ 35.2
	Volume Offered (M Cords)	765.7	Fuelwood	\$ 17.4
			Special Prods	\$ 46.4
			Total Receipts	\$ 18,563.5

Timber sales include the sale of firewood and special products such as boughs and decorative treetops, as well as sales of traditional saw log and pulpwood products. Ninety-six percent of the volume of timber sold was sold at public auction to allow equal access to the sale process by all segments of the state's society. For the fiscal year, the volume of wood sold from state-administered lands was down from the prior year due to agency staffing and physical supply limitations. Volume actually cut (harvested) from valid permits on state lands increased by 15 percent. This increase is attributed to a greater dependence on public timber by the forest products industries of Minnesota, as the supply of overmature private timber is depleted and federal forest lands continued to contribute less than their proportionate share of merchantable timber. As of June 30, 2003, state timber sale holders had 1.7 million cords of wood under permit but unharvested. This represents an amount equivalent to two years of planned sale quantities from state forest lands. State timber sale permits are normally five years in duration. With only a two-year supply of wood on hand, permittees do not appear to be engaged in speculative bidding and buying practices at this

time. However, it should be noted that timber stumpage prices have been increasing at a rate in excess of 16 percent per year. This latter trend is both good and bad. It indicates that the state can expect substantial increases in its timber sales revenues in the coming years. However, it also indicates that the state's forest products industries continue to face rising fiber costs, which may contribute to a competitive disadvantage in the world economy in which they now operate.

### Timber Management

Timber management is comprised of the activities applied after timber harvest to regenerate harvested stands, as well as activities applied throughout the life of a stand to improve stand composition, structure, and health, and to increase productivity. Timber management is important to insure a healthy, diverse forest resource and a reliable supply of raw materials for the wood products industry. Management activities applied in Fiscal Year 2003 are summarized in the table.

Activity	Acres
Site Preparation	4,999
Planting	4,438
Seeding	5,752
Protection	5,480
Release	1,422
Natural Regeneration	24,449
Artificial & Natural Regeneration	34,639

Protection from animal damage—primarily white-tailed deer—is the fastest growing management activity in forest regeneration; the number of acres protected from animal damage increased 44 percent from Fiscal Year 2002. Effects from damage by animals to newly planted and young stands are disastrous. As white-tailed deer populations increase, so will necessary protection on state forest land.

Intermediate treatments, particularly release, are important for improved stand composition, health, and growth. Total acres of release activities decreased 49 percent from Fiscal Year 2002 primarily because of reduced total available funds and redirecting funding to other activities such as protection from animal damage.