

Kentucky Agriculture Advisory Council
January 17-18 2006
Forestry Breakout Session
Kevin Lyons, moderator
Ricky Yeargan, recorder

Dr. Henning opened the discussion by stating he had heard many conversations about forestry issues, especially urban forestry and small landowner concerns. He recognized the Forestry Department at UK for undertaking several new programs to address issues in the state.

Dr. Steve Bullard, chair of the Forestry Department at UK, recognized the Kentucky Woodland Owners Association (KWOA) for providing momentum for many programs. KWOA, while small, is very active, and serves on advisory committees for Forestry Extension and the department at large.

The Forest Restoration Economic Development Act, legislation intended to implement a classified forest management plan that could affect property tax considerations, did not pass. Timber grows too slowly to pay property taxes. A landowner filed a tax appeal on this basis. State Property Valuation Administrators are working on an alternate proposal. If approved, it will be implemented in December 2006.

Dr. Jeff Stringer, Forestry Department, UK, stressed the need for KWOA to get active at the county level. Mississippi and Tennessee have been successful in this regard. Over the last four years, 30-40 county organizations formed in Tennessee. In Mississippi, grassroots activity has influenced the forestry industry and government policy. Extension involvement is needed to make it happen in Kentucky. With input from the Mississippi and Tennessee experiences, the Forestry Department will present information at agent in-service trainings. Pilot counties with engaged landowners will be targeted first, based on a departmental database of active clientele.

Dr. David Smith, chair, Plant Pathology Department, UK, provided a handout that included details of the department's collaborative work on Sudden Oak Death (SOD). The threat of SOD to the forestry and nursery/landscape industries is comparable to that of soybean rust in soybean production. Thirty forest and dozens of nursery locations were sampled for SOD in 2005. There are no confirmed cases to date in Kentucky. Samples positive for SOD have been found in Tennessee, Georgia, Louisiana, and South Carolina. The U.S. Forest Service places Kentucky in the projected path of SOD spread.

Dr. Stringer discussed efforts of the Forest Health Task Force, a collaborative group including UK Plant Pathology and Entomology, KWOA, Kentucky Division of Forestry, and others. The intent is to provide coordinated technical advice should a response to forest health threats be needed. A report, due in April 2006, will cover issues from natural aging and succession to invasive exotics (insects, pathogens, plants). The report is expected to drive future forestry programming.

In response to Kentucky Agriculture Advisory Council concerns about communication, Dr. Stringer plans to launch a quarterly magazine that targets non-industrial, private woodland owners. A related interdepartmental web interface will also be published. The Logjam newsletter continues to address issues important to professional loggers.

The Woodland Owners Short Course is a series of five one-day field days, each on a different topic, at various statewide locations. Some 30 people have received certificates by attending four out of five sessions. As county woodland owners organizations form, they can arrange for regional offerings.

The UK Forestry Extension web site is being upgraded.

Dr. Bullard noted that the previous Council forestry discussion included concerns about markets and processing facilities. UK Forestry has two main program thrusts – forest health and sustainable economic development. Quicksand has installed a laser engraver that can customize secondary wood products (from 3 X 4 foot panels down to keychain ornaments). The machine can be used for furniture work, e.g. engraved headboards. Home units that will engrave plaque-sized boards are available for \$10,000. Artisans are encouraged to pursue global markets via e-commerce.

Dr. Stringer stated that paper production is rapidly moving outside the U.S. Companies can avoid many taxes and environmental regulations overseas. No new pulp plants or upgrades to existing facilities are expected in this country. In 20-30 years, the timber market in Kentucky will no longer be pine chip/paper-driven. Demand for high quality hardwood for lumber and veneer will remain. One well-managed veneer tree can return \$2,000 - \$5,000. Small acreage opportunities in timber management can return 8-12%, but over a long term (decades). However, land value increases related to quality standing timber may allow owners to capture pre-harvest gains (may have estate planning potential).

A delegate inquired about potential timber options through NRCS programs (e.g. filter strips). Dr. Stringer works with NRCS and would like to see more “timber-friendly” specs in federal cost-share programs (denser tree spacing, competition control, etc.). Funding for a state cost-share program might allow more flexibility to combine conservation measures with timber management. Delegate replied that he planted sycamore (fast growth) along a river per NRCS guidelines. Sycamore harvest might yield \$18 per ton, whereas scattered high value species would increase returns.

Programs are emerging to certify forests based upon management practices (water quality, wildlife habitat, chemical inputs, etc.). There are good markets for certified wood. UK is attempting to certify Robinson Forest, with plans to use it as a demonstration tool for woodland owners desiring to certify their stands. Certification is available through the American Tree Farm System; forestry consultants are beginning to certify forests where multiple landowners cooperate to maximize acreages.

Delegates asked about secondary wood products in Kentucky. Bobby Ammerman, Extension Associate, is promoting “lean” manufacturing to compete with overseas production. Kentucky consistently ranks in the top five U.S. states for hardwood lumber production, and has a huge primary (sawmill) production capacity. Most of the secondary wood production is out-of-state or overseas. Dr. Bullard says companies must innovate, emigrate, or evaporate. UK stresses innovation; companies must target specialty markets that overseas competitors cannot serve. IKEA is a model of innovation in secondary wood products.

A delegate inquired about Purdue’s line of black walnut seedlings. Purdue patented nine different clones of black walnut some 30 years ago; Dr. Stringer said the lines generated more money than all the university’s other combined patents. Seedlings sell for \$25 and constitute a \$10 million a year business, now under Spanish control.

Nick Whobrey from the Governor’s Office of Agricultural Policy (GOAP) briefly discussed the Timber Production, Utilization, and Marketing Model Program. This was carved out of the Agricultural Diversification Model Program. Three or four counties have administered funds so far, and GOAP would like to increase participation, especially in Eastern Kentucky. Dr. Stringer stated that development of county-based woodland owners organizations should help with program administration.