

Testimony Presented to The Innovation, Development, Economic Advancement and Business Committee on LD 768, An Act To Explore Alternative Uses Of Pulpwood and To Support The Logging and Forestry Industries.

Senator Chip Curry, Representative Tiffany Roberts and Members of the Committee, my name is Douglas Denico from Madison Maine, here today to testify in favor of LD 768.

My testimony will be mostly on how the bill would help small landowners.

Being a forester, I was captured early on with the notion of owning and managing my own forest with an eye towards creating a meaningful legacy and income source for future family members. I embarked on this vision in 1973.

The buying part of the plan was manageable for several decades but the attempt to have the forestland be a reasonable investment based on sustainable sales of timber was greatly diminished over time. This drop in value started its decent about a decade ago. The magnitude of the drop was about 300% over several species for me.

The biggest drop in value came from softwood pulpwood with pine, hemlock and spruce and fir leading the way with hardwood pulpwood not far behind. What is behind this drop in value stems from the drop in demand for these products at the pulp mills. The various reasons for the price drop would include such things as shifting to hardwood pulp, lost mill capacity to process pulpwood and even the loss of two major pulp mills and three minor ones. Not counting the loss of a pulp digester last spring at the Jay mill, demand for softwood pulp has decreased by about 100 % in the last 10 years.

Why am I here? I would like this Committee to explore ways to bring back pulping capacity and hence demand for the softwood species. I suggest concentrating on our pulp mill infrastructure. This request only deals with significant pulp production using existing technologies. This is the only way I know of to create a dent in the large supply of our surplus softwood pulp supply in a reasonable length of time.

Why is this important? I could make a very good return on my forestry investment if I sold it for its real estate value with no regard for its future as a sustainable forest. We have seen parts of Maine go this route. A lot of energy has been spent trying to keep Maines forests as forests. I hope this bill can foster this goal.

Thank you for your attention. I would be pleased to answer any questions.