



# Maine Forest Products Council

*The voice of Maine's forest economy*

## Companies represented on the MFPC Board

American Forest Mgmt.  
Baskahegan Co.  
BBC Lands LLC  
Bradbury Forest Mgmt.  
Columbia Forest Prod.  
Cross Insurance  
Family Forestry  
Farm Credit East  
Fontaine Inc.  
H.C. Haynes  
Huber Resources  
Innovative Natural  
Resource Solutions  
J.D. Irving  
Katahdin Forest Mgmt.  
Key Bank  
LandVest Inc.  
Limington Lumber  
Louisiana Pacific  
Maibec Logging  
ND Paper  
Nicols Brothers  
Pingree Associates  
Pixelle Specialty Sol.  
Pleasant River Lumber  
Prentiss & Carlisle  
ReEnergy  
Richard Wing & Son  
Robbins Lumber  
Sappi North America  
Southern Maine Forestry  
Stead Timberlands  
TD Bank  
Timber Resource Group  
Timberstate G.  
Wadsworth Woodlands  
Wagner Forest Mgt.  
Weyerhaeuser

## Testimony in Support of An Act To Explore Alternative Uses of Pulpwood and To Support the Logging and Forestry Industries

May 4, 2021

### Patrick Strauch, Executive Director

Senator Curry, Representative Roberts and distinguished members of the Committee on Innovation, Development, Economic Advancement and Business, I am Patrick Strauch from Exeter, Maine, and the Executive Director of the Maine Forest Products Council (MFPC). I represent Maine's forest product industry, which represent more than \$8 billion in economic contribution to the state's economy, and more than 33,000 direct and indirect jobs.

I appreciate Representative Ducharme's concept to explore alternative uses of pulpwood and to support the State's logging and forestry industries. As a Council we recognized the ongoing mill closures along the Penobscot River were going to disrupt markets and we were left as an industry with o strategic plan to confront the crisis.

### BUILDING A STRATEGIC PLAN

Together with the University of Maine we initiated a strategic planning process that was supported by a joint resolution of the Legislature in 2018. US senators Angus King and Susan Collins were also concerned with the mill closures and as a group of trade associations (Professional Logging Contractors and Maine Woodland Owners), the Maine Development Foundation. BioBased Maine, The University of Maine, Communities, MTL, the Maine Forest Service & the Department of Economic and Community Development we formed a coalition funded by the U.S. Economic Development Agency known as the Maine Forest Opportunity Roadmap (FOR/Maine).

Almost four years of this partnership has produced considerable research and development and our recent YouTube Summit will soon be available of the <https://formaine.org/> website. The goal of this group is to build Maine's \$8.5 billion industry into a \$12 billion industry by 2025. This goal was on a favorable trajectory with over one billion dollars in capital investments being made in the last few years in the industry.

Wood consumption in 2019 increased by 28% over 2018 levels. The COVID crisis and Pixelle digester loss disrupted markets to this day and set us back, but signs of improvement are emerging.

## PLANNING FOR FOREST SUSTAINABILITY

Rebuilding markets required evaluating wood supply and computer modeling various scenarios to make sure the plan was built on sustainable principles. A quick review of this work identified the following:

- Under current management Maine's forests can sustainably support an expanded industry.
- Maine has a significant sustainable supply of surplus spruce and fir softwood and other softwoods (hemlock and pine) that might support additional wood processing facilities.
- Even with a severe spruce budworm outbreak there is still surplus spruce fir fiber available.
- There is additional hardwood fiber available to support facility expansions (not another pulp mill)

The coalition has been focused on low grade markets for softwood. This is important because our ability to produce higher valued sawlogs is dependent on thinking stands of trees and providing space for crop trees to grow.

## GLOBAL ASSESSMENT OF MARKETS

We knew that expansion of our core industries would be the building block to rebuilding Maine's forest economy, but in order to diversify Maine's portfolio we needed to keep an eye towards emerging technologies. Global consultants helped us look at an array of possible products that would be complimentary to our existing businesses. The top candidates recommended for focus included:

### CURRENT WOOD PRODUCTS

- SAWN TIMBER
- ORIENTED STRAND BOARD
- PUP & PAPER MANUFACTURING
- LAMINATED VENEER LUMBER
- MEDIUM DENSITY FIBERBOARD

### EMERGING WOOD PRODUCTS

- CROSS LAMINATED TIMBER
- NANOCELLULOSE
- DISSOLVING PULP
- CELLULOSIC SUGARS
- PYROLYSIS OIL
- INSULATING WOOD FIBER

## MAINE MARKET ATTRACTION

Currently a project consulting firm is assisting our efforts to find appropriate industries that would consider locating to Maine. Both the industry, DECD, UMO and Maine & Company have formed a market attraction team that fields leads and cultures prospective investors. The collaborative agreement signed by the Governor and Finland is another example for the effort to seek global partners and what is being called the Maine's FOREST BIOECONOMY. DECD also continues to support forest industry development efforts with projects like the LP expansion in Houlton and the GO Lab wood fiber insulation facility moving into the old Madison mill.

## WORK FORCE DEVELOPMENT

Our workforce is critical and demographic trends reflect the statewide issue of an aging population. **The Forest Opportunity Roadmap for Maine Workforce Development Strategy** prepared by the Center for Business and Economic Research, University of Southern Maine Dr. Ryan Wallace, Director analyzed our industry through employer interviews and evaluation of employment data bases.

Projections for job growth and replacements in major components of the industry provide guidance on the current and future needs for the forest economy. Some preliminary recommendations.

- Design, prepare, and execute a coordinated marketing and branding campaign that showcases the career opportunities in forest products in Maine
- Foster greater education, outreach, and awareness of opportunities in the forest products sector to Maine secondary school students and advisors.
- Cultivate out of state workforce pipelines and integrate with statewide attraction and recruitment efforts
- Leverage existing workforce infrastructure to increase coordination and engagement and expand existing internship, apprenticeship, and training program.

### **KEEPING MAINE'S FORESTS**

One of the final messages I would like to share is that there is a critical connection to keeping Maine's privately owned forests actively managed. Their connection to rural economies is evident. The growing interest in Carbon sequestration in trees and in the ability to sink carbon in durable wood products presents Maine with a great opportunity to build an even stronger forest economy. But the important message is that markets for all the parts of the tree (high and low value products) has been the unique characteristic of Maine's forest economy. Good markets provide recreation, wildlife management and a host of opportunities for a variety of public values on private land.

I appreciate the opportunity to share some of our thinking about alternative markets for wood products and support the Committee's ongoing discussion.

Thank you.