MFPC ANNUAL MEETING

Executive Director’s Report 2016
A major shift in wood markets has occurred!
Maine in-state processing by product

Data Source: MFS Wood Processor Report, 2014

- Hardwood (pulpwood): 36%
- Softwood (pulpwood): 18%
- Softwood (sawlogs): 15%
- Hardwood (sawlogs): 8%
- Biomass: 20%
- Pellets: 3%
Maine in-state processing by product

**Expected Market Loss 2016 - PJS**
## Economic contributions of Maine's Forest Economy

<table>
<thead>
<tr>
<th>Economic impact</th>
<th>2011*</th>
<th>2014</th>
<th>% Change</th>
<th>2016**</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total impact</td>
<td>$8.5 billion</td>
<td>$9.8 billion</td>
<td>15%</td>
<td>$8.5 billion</td>
<td>-13%</td>
</tr>
<tr>
<td>Total payroll</td>
<td>$2.0 billion</td>
<td>$2.1 billion</td>
<td>5%</td>
<td>$1.8 billion</td>
<td>-12%</td>
</tr>
<tr>
<td>Direct jobs</td>
<td>17,075</td>
<td>16,551</td>
<td>-3%</td>
<td>14,563</td>
<td>-12%</td>
</tr>
<tr>
<td>Total jobs</td>
<td>38,789</td>
<td>38,956</td>
<td>0%</td>
<td>33,538</td>
<td>-14%</td>
</tr>
</tbody>
</table>

*2014 dollars. **2016 dollars.

Source: Economic Contribution of Maine's forest products industry 2014 and 2016 (estimated)
Key principals for building Maine’s Roadmap and responding to the current challenges

• **Hire a leading international forestry consulting firm** with specialized expertise in global wood markets and trends (Benchmarking).

• **Forest modeling**: Phase I & II – Availability of fiber (ref. Wisconsin Wood Supply Assessment 2016)

• **Integration & Plan Development** II – Synthesizing results from the previous stages into a comprehensive and achievable vision for Maine’s forest sector

• **Marketing plan** that informs potential investors on the business resources and manufacturing site options that might fit their objectives is to be included.
Other action items

- Maine forest industries believe that they can better utilize and deploy transportation systems to move wood from the forest to the mill to market. Review Penobscot River Valley wood shed changes and report to MeDOT with updated priorities.

- Markets for residuals, particularly from sawmills, are critical to the continued operation of a number of manufacturing facilities. Develop biomass energy plan to promote CHP platforms and micro-grid options in Maine.

- Build small landowner outreach capabilities.

- R&D funding for Bio-Based Market Development.

- Staffing and cost sharing in anticipation of SBW.
Economic Development Assessment Team (EDAT)
A North Woods monument and Maine’s future
Défoliation causée par la tordeuse des bourgeons de l’épinette

Québec méridional

Défoliation annuelle 2016
- Légère
- Modérée
- Grave

Organisation territoriale
- Limite de région administrative
- Frontières
  - Frontière interprovinciale
  - Frontière internationale
  - Frontière Québec - Terre-Nouveau-et-Labrador (non définitive)

 Métadonnées
- Projection orthographique
- Conique conforme du Lambert avec deux parallèles d’ático commande (48° et 50°)
- Réalisé
  - Ministère des Forêts, de la Faune et des Parcs
  - Direction de la protection des forêts
  - © Géoréférent du Québec. 2018
Softwood lumber trade agreement: “notoriously, historically tough and complicated issue to resolve”
Legislators reject LePage attempt to trim tree growth tax break

Augusta, Maine — Legislation designed to dramatically overhaul Maine's tree growth property tax credit program fell largely on deaf ears Monday as lawmakers on the Taxation Committee unanimously rejected the proposal offered by Republican Gov. Paul LePage.

LePage Plan Would Reduce Eligibility for Tree Growth Tax Credit

By A.J. Higgins / People/A.J. Higgins • Apr 4, 2016
Forests of Maine in Danger of being Destroyed

Henry Grinnell, an expert from the Forestry Division of the United States Department of Agriculture, who has been making a tour of inspection in the northern Maine woods for one of the big pulp companies, recently told the Bangor Board of Trade that with a continuance of present methods of logging, the forests would be exhausted in less than one hundred years.
“The general opinion among the older lumbermen seems to be that the experts’ theories are not entirely accurate as applied to Maine.”

– N.Y. Journal, 1901