Economic Impacts of the Qualified Forest Program

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MSAF Spring Conference
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Qualified Forest Program

- Develop a written forest management plan
- Two benefits
  - 16 mill reduction
  - Prevents “uncapping”
- Implement practices as prescribed in plan.
Acres Enrolled by County

- 0
- 1 - 320
- 321 - 1,300
- 1,301 - 5,000
- 5,001 - 10,000
- 10,001 - 36,000

MDARD Qualified Forest Program
April 2019
Proportion of forest types statewide (% of area)

- Aspen/birch: 12
- Maple/beech/birch: 33
- Elm/ash/cottonwood: 29
- Oak: 13
- Spruce/fir: 11
- White/red/white pine: 6
- Other: 3

Legend:
- Michigan Private Forestland
- Qualified Forest Program
Proportion of forest types SLP (% of area)

- Aspen/birch: 2 \(\%\)
- Maple/beech/birch: 12 \(\%\)
- Elm/ash/cottonwood: 28 \(\%\)
- Oak: 46 \(\%\)
- Spruce/fir: 1 \(\%\)
- White/red/jack pine: 2 \(\%\)
- Other: 9 \(\%\)
- Michigan Private Forestland
- Qualified Forest Program
Proportion of forest types NLP (% of area)

- Aspen/birch: Michigan Private Forestland 16, Qualified Forest Program 25
- Maple/beech/birch: Michigan Private Forestland 26, Qualified Forest Program 27
- Elm/ash/cottonwood: Michigan Private Forestland 10, Qualified Forest Program 6
- Oak: Michigan Private Forestland 27, Qualified Forest Program 16
- Spruce/fir: Michigan Private Forestland 8, Qualified Forest Program 7
- White/red/jack pine: Michigan Private Forestland 9, Qualified Forest Program 10
- Other: Michigan Private Forestland 5, Qualified Forest Program 8
Proportion of forest types EUP (% of area)

- **Aspen/birch**: Michigan Private Forestland 18%, Qualified Forest Program 22%
- **Maple/beech/birch**: Michigan Private Forestland 36%, Qualified Forest Program 29%
- **Elm/ash/cottonwood**: Michigan Private Forestland 7%, Qualified Forest Program 5%
- **Oak**: Michigan Private Forestland 2%, Qualified Forest Program 0%
- **Spruce/fir**: Michigan Private Forestland 29%, Qualified Forest Program 31%
- **White/red/jack pine**: Michigan Private Forestland 7%, Qualified Forest Program 5%
- **Other**: Michigan Private Forestland 1%, Qualified Forest Program 8%

- **Legend**:
  - Yellow: Michigan Private Forestland
  - Brown: Qualified Forest Program
Proportion of forest types WUP (% of area)

- Aspen/birch: 12% (Michigan Private Forestland), 28% (Qualified Forest Program)
- Maple/beech/birch: 60% (Michigan Private Forestland), 35% (Qualified Forest Program)
- Elm/ash/cottonwood: 4% (Michigan Private Forestland), 5% (Qualified Forest Program)
- Oak: 2% (Michigan Private Forestland), 0% (Qualified Forest Program)
- Spruce/fir: 15% (Michigan Private Forestland), 18% (Qualified Forest Program)
- White/red/jack pine: 6% (Michigan Private Forestland), 5% (Qualified Forest Program)
- Other: 1% (Michigan Private Forestland), 9% (Qualified Forest Program)
The QFP Equation

**Benefits**
- Direct, Indirect, Induced
- Healthy forests
- Wildlife habitat
- Water quality and quantity
- Keep forests as forests
- Keep forests in the family

**Costs**
- 18 mill subsidy
- Government program administration
- Private sector program administration
- Penalty for withdrawal?
- Loss of some development potential
## Measuring Success

<table>
<thead>
<tr>
<th>Metric</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Acres</td>
<td>73,065</td>
<td>81,875</td>
<td>80,851</td>
<td>77,224</td>
<td>55,409</td>
</tr>
<tr>
<td>Cumulative acres</td>
<td>217,223</td>
<td>299,099</td>
<td>367,593</td>
<td>427,959</td>
<td>483,368</td>
</tr>
<tr>
<td>Acres From CF</td>
<td>8,557</td>
<td>8,191</td>
<td>1,227</td>
<td>1,772</td>
<td>1,512</td>
</tr>
</tbody>
</table>
## Measuring Success

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</tr>
</thead>
<tbody>
<tr>
<td>Harvested Wood Products (cords)</td>
<td>19,585</td>
<td>67,091</td>
<td>381,401</td>
<td>112,298</td>
<td>275,402</td>
</tr>
<tr>
<td>Harvested Timber Value</td>
<td>$600,000</td>
<td>$2,9 million</td>
<td>$3,7 million</td>
<td>$3,1 million</td>
<td>$5,6 million</td>
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<tr>
<td>2-mill fee revenue</td>
<td>$131,687</td>
<td>$203,142</td>
<td>$278,775</td>
<td>$342,114</td>
<td>***</td>
</tr>
</tbody>
</table>
TIMBER VOLUME HARVESTED FROM QF LAND
2014 - 2018 cumulative

Volume by County, in standard cords
- 0
- 1 - 5,000
- 5,001 - 10,000
- 10,001 - 20,000
- 20,001 - 50,000
- 50,001 - 112,000

MDARD Qualified Forest Program
April 2019
TIMBER HARVEST VALUE FROM QF LAND
2014 - 2018 cumulative

Value by County, in dollars
- 0
- 1 - 50,000
- 50,001 - 200,000
- 200,001 - 400,000
- 400,001 - 800,000
- 800,001 - 1,260,000

MDARD Qualified Forest Program
April 2019
QFP Law Changes

- 2.5 million acres cap
- Multiple parcels on affidavit
- Require timber rights
- No landowner acreage cap
- Fee on summer taxes
- Remove all or part of a parcel
- FMP IDs management for each stand
- Plan must include timber harvesting
- Productive forest
- ACF as Qualified Forester
- How to construct a residence
Thank you.