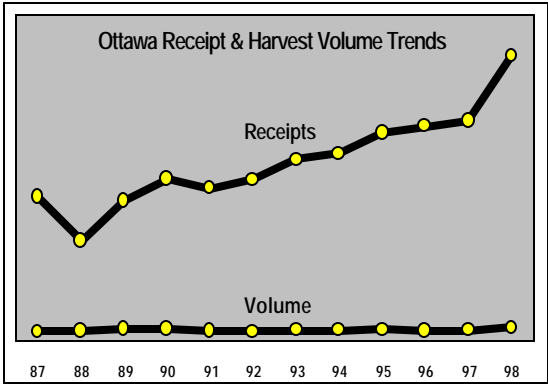
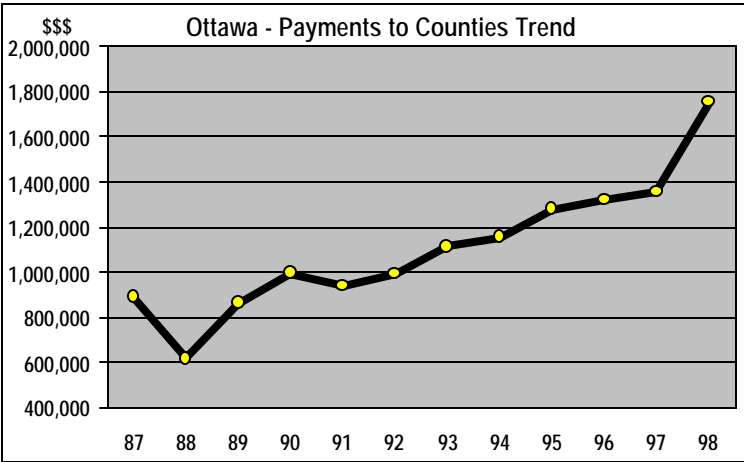
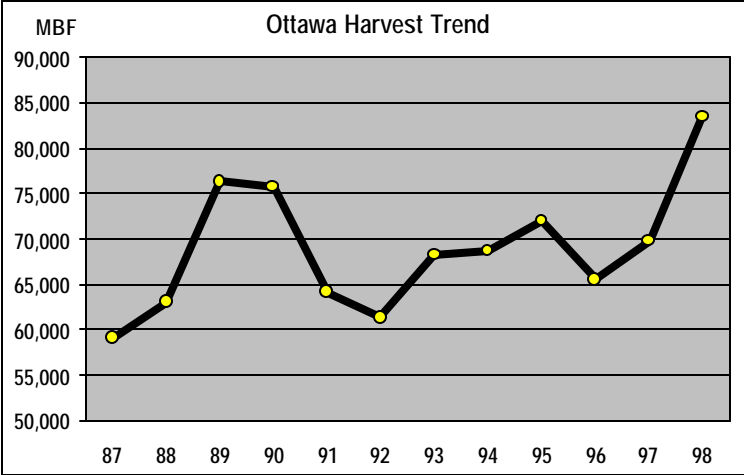


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Comparison of harvest levels and payments to counties by the Ottawa National Forest.

FY	MBF	PILT & 25%
87	59,100	887,874
88	63,000	618,651
89	76,300	861,395
90	75,700	994,908
91	64,100	938,977
92	61,300	992,261
93	68,200	1,114,024
94	68,700	1,153,962
95	72,000	1,279,060
96	65,500	1,320,909
97	69,800	1,356,725
98	83,400	1,753,819

Numbers provided by Jim Meunier in MBF. Numbers do not match MCF volumes in table II.2 (p. 48) in the Monitoring & Evaluation Report 1987-1996. I don't know if the above MBF volumes include converted cordwood or not. Note that receipts include all source of revenue, although timber sales constitute the overwhelming source of revenue.



BENEFITS PROVIDED BY THE OTTAWA NATIONAL FOREST TIMBER PROGRAM

FY98 revenues from timber sales was \$4.9 million (based upon harvest of 83.4 MMBF). This was a record year for both volume and value of harvest. The value of sales sold in FY98 exceeded \$5.3 million, based upon bids on a total of 81.3 MMBF. The average price paid for stumpage in FY 98 was approximately \$66/MBF, which is double the average price of sales made in FY92 and 3.5 times prices paid in FY87. More recent trends in prices over the past 5 years show more stable prices by individual species/product, and actually a slight drop in most species/product groups from FY97.

Annual receipts from the timber program on the Ottawa represent about 97% of the total receipts generated from the Forest. The other 3% come from recreation fees, special use permits, and minerals. Counties receive payments equal to 25 percent of the total receipts, to help fund schools and roads. These payments are separate and in addition to the payments in lieu of taxes (PILT) funds.

The timber program supports over 750 jobs, generates regional income of approximately \$40 million, which results in nearly \$6 million if federal income taxes annually.

The Ottawa treats about 13,000 acres (less than 1.5% of the Forest) annually through the commercial timber sale activity. Over 80 percent of the those acres are partial cuts such as thinnings, selection and improvement cuts. The balance are clearcuts, which has been reduced to less than 15 percent of the last few years.

Acres which are clearcut are predominantly early successional, short lived species such as jack pine, aspen, paper birch and balsam fir. These are species that currently have very high rates of mortality from advanced age and other risk factors, and are often subject to salvage harvest.

Many timber sales on the Ottawa are investments in improving young stands for future timber and non-timber benefits. Those sales produce lower value pulpwood products now in the initial thinnings or improvement cuts, but will yield high quality and high value products in the future (10-20 years and beyond). This along with the fact that past investments in roads, landline, and resource information will make future entries into these stands less costly as well as yielding much higher revenues.

Silvicultural treatments are prescribed not only to provide for present and future timber values, but often have a primary purpose of enhancing wildlife or recreational values. One simple example is that harvest and regeneration of aspen to provide young growth habitat for deer and grouse as well as about 60 other species of mammals, birds, reptiles and amphibians that utilize regenerating aspen. This not only provides desired habitat conditions, but enhances the recreational benefits such as big game and small game hunting , which has significant economic impacts in the State of Michigan.

With the continued increase in revenues and efforts to reduce annual expenditures the Ottawa has become above cost in its Financial Statement. Preliminary TSPIRS results for FY98 indicate net profits of over \$785 million.

The Forest Plan established an Allowable Sale Quantity (ASQ) for the Ottawa of 780 million board feet (MMBF) over the planning period (1987-1996) based on the 562,000 acres of suitable timber lands. The ASQ is commonly referred to as an average annual figure of 78 MMBF.

The average volume offered over the first 12 years of the Plan has been 69.4 MMBF or 89% of ASQ.

The accomplishment to date has been limited due to funding. The Forest has accomplished 99% of the target it was funded for over the past 12 years.

The uncut volume under contract is about 198 MMBF with a contract value of \$12.1 million. This represents approximately 2.75 years of harvest volume, with an average annual revenue of \$4.4 million. As of 9/30/98 the Ottawa had 144 open timber sale contracts with 54 different purchasers.

Planned OFFER Volume in FY99 is 64.1 MMBF (54.1 MMBF green and 10 MMBF salvage). This is an acceptable level given the amount of volume under contract, and what the harvest volume has averaged over the past 5 years (72.0 MMBF).

The program (offer volume) could be increased over the next few years with adequate funding up to the levels specified in the Forest Plan. Ten years of Forest Plan monitoring indicates that the Forest is capable of sustaining the ASQ level. The Forest is now above cost and expects to remain that way. There is a backlog of stands that need silvicultural treatments. The demand for timber, and stumpage prices are at an all time high in the Lake States.

FY2000 capability request for the Ottawa is 59 MMBF green and 14 MMBF salvage for a total offer of 73 MMBF. This is the desired program level and would depend on the level of funding in the FY2000 budget.

From Jim Meunier, 3-16-99

FY	MBF	PILT & 25%
92	61,954	854,148
93	68,275	968,610
94	69,059	960,405
95	77,907	1,236,652
96	58,304	1,164,654
97	49,335	1,075,427
98	44,532	1,083,922

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Comparison of harvest levels and payments to counties by the Hiawatha National Forest.

Numbers provided by Duane Puro. Note that receipts include all source of revenue, although timber sales constitute the overwhelming source of revenue.

