

Kraft Lignin Innovation Forum

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Iron Mountain, MI

Comments by Warren Suchovsky

Hello, I'm Warren Suchovsky. My son, Karl, and I own and operate a small logging company that is Michigan Master Logger certified. We have four employees plus ourselves. We run two cut to length harvesters paired up with two eight-wheeled double bunk forwarders. We generally produce 8 to 10,000 cords of wood annually. We produce products ranging from firewood to veneer and pine poles. For the most part we harvest timber on private lands from some of which we purchase the stumpage and sometime we sub-contract for other logging companies. I own over 500 acres of woods which has been extensively managed for more than 50 years. My forest is certified by the Tree Farm Program and also has FSC group certification. I am a member of the Board of Directors for MIFBI and the Michigan Association of Timbermen (MAT).

About 40 years ago when MAT was organized two of its main objectives were to help members control their costs of operation and to ensure that there was an adequate supply of timber for members to harvest. I feel that supply is no longer the issue. In recent years we have seen the supply of timber from state owned lands increase. The Good Neighbor Authority between the Forest Service and MI DNR is increasing harvests on federal forests. The state has provided incentives for private non industrial landowners to improve the management of their lands which has resulted in increased volumes being harvested from these lands. I very strongly feel that our objective now needs to shift from the question of supply to how can we increase marketing opportunities? We need to utilize more of the tree. I suspect that on many of our soils we are leaving too much fiber behind harvesting operations. Given the amount of mortality in our forests, we need to learn how to use dead trees for more than cheap fuel wood.

In the past the forest product industry has tended to be cyclical. While this certainly stressed the manufacturing end of the industry, it also caused loggers to go in and out of logging. All they needed to do to get back in was to pick up their chainsaw or perhaps buy a new one. This is not so easily done today. A new harvester costs half to three quarters of a million dollars. A small company like ours has well over a million dollars invested in equipment and the bank likes to see us on a regular basis. It is imperative that we strengthen our existing forest product industries and also create new opportunities where wood is the main raw material input. From my perspective chemistry will be the high value component in the future. The peaks and valleys need to be leveled out. We must strive for an upward sloping growth curve.

Trees, on an acreage basis, are the major crop grown in Michigan. Over 50% of our land cover type is trees. We also know that where natural resources are the most abundant is where the financially poorest people live. We have to extract higher value from these resources. We need to increase value added opportunities in these rural communities. We need to improve our ability to compete in a world

market. We need to better utilize our natural resources as well as the human and financial capital in rural communities.

Over the past few decades we have seen a rise in concern about sustainability. Certification schemes have been created. They are a measure of sustainability as well as assurance to consumers that we are responsibly using our timber resource. As you know these schemes are globally recognized and many countries have developed their own programs which in turn are evaluated by international organizations. From my perspective sustainability is much more than being able to continue to grow forests. Sustainability needs to insure that our local communities improve their viability. This in turn strengthens our regional, state, national and global communities so that we all share equitably in wealth that originates from our forests.