



## Pennsylvania Forest Products Association

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### **Forest Products and the PA Farm Bill**

Testimony by Matt Gabler, Executive Director

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Good morning. My name is Matt Gabler, and I am the Executive Director of the Pennsylvania Forest Products Association. Our association represents approximately 300 member companies across the forest products supply chain, including foresters, loggers, landowners, sawmills, paper mills, concentration yards, wood product manufacturers, and industry suppliers.

Today I am pleased to share how Pennsylvania's forest products industry's partnership with the Pennsylvania Department of Agriculture (PDA) has grown over the past five years since the enactment of the first Pennsylvania Farm Bill in 2019. Specifically, the Commonwealth Specialty Crop Program under the PA Farm Bill has provided targeted investments in initiatives that have helped to build our workforce, promote our sector and strengthen our supply chain.

I want to thank the House and Senate Agriculture Committees and the Pennsylvania Department of Agriculture for all the efforts dedicated to making today's discussion possible. Since the enactment of the Hardwoods Development Council Act of 1988, our industry has eagerly partnered with PDA to support our state's economy and workforce, environmental stewardship, and science-based environmental education for the Commonwealth's students and the general public through programs like the WoodMobile. If you have not visited the WoodMobile lately, please be sure to do so this week. You can find the WoodMobile and an extensive hardwoods exhibit in the Main Hall, on the Maclay Street side of the Farm Show Complex.

Beyond the HDC, additional partnering organizations known as Hardwood Utilization Groups, or HUGs, have been instrumental in supporting the forest products supply chain across specific areas of the Commonwealth. The Allegheny Hardwood Utilization Group (AHUG), the Keystone Wood Products Association (KWPA), and the Northern Tier Hardwood Association (NTHA) cover the northwest, northcentral and northeastern regions of Pennsylvania, respectively. Their operations are funded largely through the Hardwoods Research and Promotion line item in the state budget, and their operations have been successful in providing educational outreach, workforce training, and support to industry across their regions and beyond. These groups form the core of the team that has capitalized on the opportunities made possible by the PA Farm Bill.

With 16.6 million acres of forests, Pennsylvania is the number one hardwood producing state in the nation. The economic impact of Pennsylvania's forest products supply chain exceeds \$39 billion, making it the largest sector of Pennsylvania agriculture. Our workforce consists of over 60,000 Pennsylvanians across all regions of the Commonwealth. From timber harvesting to primary and secondary processing and wood product manufacturing, our supply chain touches all of Pennsylvania's 67 counties and, to borrow a phrase from this year's Farm Show, is instrumental in "Connecting Our Communities."

Many people assume that these jobs are mostly in small, rural counties, but that's not the whole story. While our presence in rural areas is substantial and accounts for a large part of our rural economy, our supply chain also has a large presence in the densely populated counties of southeastern Pennsylvania. In fact, the top six counties for forest products jobs in our state are Lancaster, Montgomery, York, Berks, Bucks, and Philadelphia.

From an environmental perspective, it is important to note that we do not simply harvest trees for the products they provide. We harvest because forest health is achieved and maintained through active management, implemented by a robust forest products industry. A well-balanced forest is healthier and more resilient, provides benefits to wildlife through improved habitat, and is more effective in cleaning our air and removing carbon from our atmosphere. Young forests – known as early successional growth – provide these benefits. Hardwood forests do not require replanting. Instead, regeneration occurs when stumps sprout new seedlings, or when seeds from surrounding trees drop to the newly opened forest floor.

Mother Nature will eventually create young forests on her own through natural disasters such as fire and storm damage. Yet, for obvious reasons, we like to prevent forest fires, and it is beneficial to turn older trees into beneficial products instead of allowing them to decompose after they fall. That is why our industry prides itself in the practice of sustainable forestry – the use of best management practices to ensure that timber harvests create the optimal conditions for healthy beneficial regrowth while providing renewable products and environmentally-friendly building materials. Conservation partners, such as the Ruffed Grouse Society, eagerly point out that commercial timber harvests are an essential tool in their toolbox that enables the creation of improved habitat needed for wildlife. Economically and operationally, it would not be possible to take care of our forests without the marketplace for forest products and the workforce that provides them.

The current condition of Pennsylvania's forests gives us several important insights. First, we are not in danger of overharvesting. Our forests continue to grow at twice the rate we harvest them on an annual basis, measured in volume. We have over five times more standing timber today than we did in the 1950's. That said, older age-class forests are overrepresented on our landscape. For our hardwood forest type, the typical lifespan of a tree is no more than 140

years. Almost three-quarters of Pennsylvania's forests are over 60 years old, and nearly half are over 80. Meanwhile, only 12 percent of our forests are under 40 years old. Sustainable harvesting presents the best opportunity to provide the balance that will optimize the health, resiliency and habitat in our forests.

Unfortunately, from an economic perspective, our industry has faced various challenges over the past several years. The nationwide hardwood industry severely contracted from 2008-2010, driven largely by the collapse of the housing sector. When the marketplace recovered, our products found new competition from products designed to mimic wood. In 1999, annual domestic consumption of US hardwood grade lumber stood at nearly 7 billion board feet. By 2009, it had fallen below 2 billion board feet. We are still working to recover from the decline of a decade ago.

For these reasons, it makes good strategic sense for the Pennsylvania Department of Agriculture to strategically invest in the sustainable stewardship of our forest resources through the forest products supply chain.

As noted in the program description, the purpose of the Commonwealth Specialty Crop program is to enhance, but not replace, the Federal Specialty Crop Block Grant Program by establishing a grant program for specialty crops that are not currently eligible for grant payments under the Federal Specialty Crop Block Grant Program, currently including hemp, honey, hardwood, and hops.

Since 2019, the Hardwood Industry in Pennsylvania has employed Specialty Crop funding to provide a number of important opportunities. One grant has enabled two full NHLA Inspector Training School courses to be held in Pennsylvania, with a third scheduled for Summer 2024. This has addressed critical shortages in lumber inspectors and reduced the obstacles for Pennsylvania employers to hire and train skilled workers.

Other grants under this program have increased the availability of logger safety training, enabled research into challenges caused by increased regeneration of low-grade hardwood species, developed a new trade show display for use by the HDC and HUGs, and enabled the development of outreach and education tools for forest landowners, students and the public.

In all, this program has enabled over \$280,000 in targeted investments to be made in a manner that is carefully executed by the various partners who bring important skills and competencies to the table, with a close local connection to the industry sector served. As we look forward to the next five years, I can confidently say on behalf of our industry and the partners with whom we collaborate every day, that we are thankful for the efforts made possible by the Pennsylvania Farm Bill.