Breakout Group Report Summarization


Organized by the Main Themes that came out under the Topical Areas for Michigan Biomaterials
Numbers in parenthesis indicate frequency of item indicated by groups or in discussion.

1. Trends and future of biomaterial markets

Priority Issues and Areas of Concern
- Michigan has a $14 billion industry already, but we have responsibility to extract highest value from each tree and keep that value in the state of MI through the secondary manufacturers
- Research and development in new biomaterials industry – carve out our niche – need to set ourselves apart from all the other states doing this
- Losing the older demographic in harvesting, managing, manufacturing (2)
- Very limited value-added industry in state
- Undervalued market for non-timber products in state
- Public doesn’t understand existing industry (2)
- Existing consumers dominate the market demand, difficult for new entrants to market
- Transportation is a limitation (3)
- Forest Certification is down in MI
  - FSC and SFI has more acreage in MN, but MI has much greater Tree Farm. In hardwood lumber market, Tree Farm isn’t marketed in international markets

Methods to Address – Actionable Items
- Reevaluate our current industry
- Need investment in research and development in products and markets
- Increase younger workforce to fill positions in industry
  - Need to know how many jobs have been lost in manufacturing jobs for talking to legislators
- Focus on building higher value, value added products (4)
  - Need to know how much $ is lost sending products to WI secondary manufacturers, so we can show legislators
  - Open Dialogue with manufacturers in other areas – i.e. auto industry, for products that may benefit both
  - Nanotechnology is underutilized
- Good demonstrations of non-timber value from forests, need public and industry to see different demonstrations of what can be done (2)
  - Maple Syrup
  - Portable saw mills
- Need greater PR and public education, branding (2)
  - High school science fair, statewide, focus on biomaterials or forest products
  - Push for inclusion of forest based manufacturing in new engineering science standards for K-12
• Policies to make it easier for small business or new entrants to existing markets
  o Financing policies for operators need to be reevaluated (2)
• Opportunities exist to expand in nanotechnology products and wood derived products, new wood composites.
• Transportation infrastructure needs improvements

2. **Private lands, stability and potential to provide sustainable sources of biomaterials**

*Priority Issues and Areas of Concern*
• Industry lands and private nonindustrial lands need to be evaluated separately
• Most growth harvested already occurs on Industry, Nonindustrial has greater potential to Increase
  o Public Relations issues with nonindustrial private landowners, cognitive dissonance (3)
  o Parcelization and rapid turnover of ownership
• Private land as a supply source less of a problem than lack of markets

*Methods to Address – Actionable Items*
• Expand markets for nonindustrial landowners, particularly downstate
• Need to understand resource, who owns it, develop markets in order to get investors
• Need new mechanisms for nonindustrial owners to understand they have an asset that can get a return and engaging them in active management
  o Need help from Farm Bureau, University extensions, Tree Farm, NRCS, but these vehicles need to be evaluated and use innovative mechanisms for engagement
  o Use issues important to them, i.e consumptive wildlife habitat, bird watching (4)
  o Promote other non-timber revenue streams, ecological services, harvesting as restoration
  o Focus public education efforts where the people are, likely not in UP
• Communication education for current and new biologists, foresters, industry people to explain forests to landowners

3. **State and federal lands: stability and potential to provide sustainable sources of biomaterials**

*Priority Issues and Areas of Concern*
• Uncertain within the state of where the resource is, under what management, how often managed, etc
• Federal lands in MI have never harvested allowable cut as people and resources often are reallocated elsewhere during parts of the year(fire out west)
• Policy may limit nontraditional biomaterials to markets on public lands
• Management is policy driven, but CO₂ levels, energy dependence, rural development, etc are undervalued in management plans on public lands. (2)

*Methods to Address – Actionable Items*
• Need to see percentages within the state of where the resource is, under what management, in order to find opportunities to invest in marketing those resources, use FIA data, other sources of
information needs to be compiled and reviewed, summarized, and quick facts need to be available before going for legislature (2)

- Develop a website to share information, include peer reviewed literature, put in place for people, agencies, industry to help within the state and have informed discussion
- Pursue federal partnerships, stewardships with industry and other agencies to help the process of getting wood to markets, stewardships would also help with more innovative management planning to include other resources (2)
- Fed and State efforts and support for rural development and innovative R and D in biomaterials, particularly non-timber products as way of demonstration
- More non-timber values that engage landowners need to be included for public lands as well, rural development, wildlife habitat, energy dependence, cultural services, etc

4. **Health and integrity of biomaterials supply chain**
   **Priority Issues and Areas of Concern**
   - Markets are lacking, not the supply, especially vertically integrated firms and value added products
   - Workforce: is it stable or not? Need the numbers. (3)
   - Geography is a problem, industry in WI is closer to most of UP resource than downstate industry (2)
   - Infrastructure that does exist is weak, old, or unusable for 1/6th of the year
   - Biosecurity: invasive species and climate change on the horizon
   - Traditional forest products sector see competition, not collaboration, agencies-governments-industry fragmented and not collaborating
   - Fire removes a lot of resources from the equation each year (4)

   **Methods to Address – Actionable Items**
   - Develop industry to capitalize on FSC and SFI certified raw material in state
     - Improve the business case for the supply chain, improve efficiency and that will overcome the infrastructure and other weak points
   - Find out about our workforce, trends in logging, manufacturing demographics
     - Develop training programs for newer machinery in logging, manufacturing sectors
   - Support new logger training programs
   - Need industry or manufacturing nearer to our resource base than downstate: investment in infrastructure, rail, highways, ports (5)
     - Won’t get investors in new plants, new industry unless the infrastructure is there to support it (2)
   - Need updated policy in place for invasive species and climate change impacts before they happen, not after the fact
   - New budgets for Forest Service include better Fire allocations

5. **Policy issues related to biomaterials**
   **Priority Issues and Areas of Concern**
   - Difficult to develop a new business, MI policy historically favored the huge industries, but here, initiative businesses will likely be small to medium size
     - Hard for new business to utilize current policies, can’t get BBB ratings, credit
   - Farm Bill
   - Investment in new technology by state governments
     - Need demonstrations if expect to have private investments join in
   - Lack of coordination among forest advocacy for government, industry, and trade groups
• What incentives are in place for building with wood, using wood derivatives, carbon footprints
• Biomaterials harvesting policy, biomass policy in state
• Transportation policies are outdated

**Methods to Address – Actionable Items**

- Need for a robust, statewide strategic plan for the forest, not just various agencies or subgroups (8)
  - Starting point for discussion if vision is articulated well, brings discussion to the table, identify existing resources and programs
  - Defines the focus of biomaterials initiative, creates actionable items and builds objectives
  - Identify stakeholders missing, and bring them in
  - Identify a professor of practice, bring in soft funding
- Need to create a better environment for new small businesses
  - State strategic fund was put into place to stimulate new business
- Need to utilize farm bill within the state
  - Many non-timber forest products would likely fit within this framework
- Incentivize buildings with wood, green buildings, using wood derivatives, creating wildlife habitat (3)
  - Not only helps with markets, but alleviates cognitive dissonance for using wood, biomaterials (2)
  - LEED standards
- Need to fine tune biomass harvesting policy, residue effects on environment
- Develop availability of certification systems for biomaterials markets, extended to nontraditional products
- Transportation policies and investments could reduce cost of transportation (2)
- Define Focus of Biomaterials initiative in a strategic plan (4)

**Conclusion to the Michigan Biomaterials Initiative, Steering Committee Meeting, March 28-29, 2014**

- Identify people missing in various stakeholder groups and bring them to the table
- Draft a strategic plan around these 5 areas reported on by breakout groups
  - Bring in outside facilitator?
- Draft mission and vision
- Michigan Tech will announce a position for a ‘Professor of Practice’ in Biomaterials
- Synthesize state of technology, state of resources, who are the stakeholders, form partnerships, etc, for purposes of group information management, lobbying, etc.
- JR Richardson will coordinate information from this group and share with the Governors Timber Advisory Council
Next meeting ~6 months, end of October roundabout