

Committee on Resources

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Committee on Resources
Subcommittee on Issues Affecting Southern Forest

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9 am

YESTERDAY, TODAY AND TOMORROW

Forestry and managing timber in the south is just another agricultural crop with years between establishment and harvesting. Just like annual crops such as corn, tobacco, cotton and soybeans that require fertilization, cultivation and spraying, in effect so do our southern timber stands. To be successful in growing timber in the south, whether it is natural or artificially regenerated stands, site preparation, seedling or reseedling method selection, prescribe burning, thinning, all play a part of establishing and growing our crop.

In the decades before and after WWI and WWII, the Naval stores industry was by far the most profitable timber industry in the South. As inspiring people like Dr. Charles Herty worked to improve that industry and expand new industries my Grandfather D.B. Warnell supported Dr. Herty and supplied much of the pine timber for a new industry known as the Pulp and Paper industry.

As a 1971 graduate of the University Of Georgia School Of Forest Resources, now known as the D.B. Warnell School of Forest Resources. I, along with decades of students, was drilled with the art of short term rotations and the development super species for the pulp and paper industry. But just as the naval stores industry has faded from existence, so it seems that the pulp and paper industry is fading. With more of the mills being built around the world and an American industry that 30 years ago produced about 95 % of the worlds paper goods now only contributes to about of half of the market. As the supply of timber increases our demand decreases and so follows stumpage prices. Currently pulpwood stumpage prices are near prices of the late 60's with no encouraging signs in the future.

During the 70's, 80's and 90's landowners in the south were encouraged to do like industry. That is to say 'clear cut and plant' and try to use improved loblolly that will produce, on a good site, a stand of pulpwood and some chip n saw in twenty years or less. To assist landowners and in the effort to help subsidize the farmer and take some of our farm land out of production such programs as the Forest Incentive Program and Conservation Reserve Program increased our acres of production to 7.85 million acres of pine plantations in addition to 80 million acres of natural regenerated stands of private lands in the state of Georgia. Now with these stands maturing or rapidly approaching merchantability we don't have the markets to support the crop. The timber industry was the largest industry in the state with drop from 30.4 billion dollars annually in 2001 down to 25.4 billion in 2002 and the trend seems to continue in a negative direction . We have had several pulp mills close and all mills reduced employment and production. We have an abundant supply of growing stock, and yet we are seeing eucalyptus being imported by barge from Central and South America here in Savannah and on the pan handle of Florida an entire mill is being supplied with this imported product.

On another front, the ongoing battle of importation of lumber into the United States continues to depress our lumber market and threatens the lumber industry in the south. Congressional intervention with some tariff adjustments has helped considerably in this area.

Changes are inevitable and we in the timber business must in fact adhere to some change. We must find alternative uses for our natural resources. We have a product that, as we harvest and regenerate, provides clean air, controls soil erosion, enhances wildlife and helps clean our waters. We have a business that is

beneficial in many ways that a dollar value can not be assigned. One area that should be pursued in our country is a valid effort to use Biomass to produce electricity and create Green Power. We have the resource, a renewable resource, and the technology to pursue and follow the lead of many of the European countries and utilize a natural resource to produce electric energy and help curtail the global glut for fossil fuels. The State of Georgia is the perfect location for a federal supported Green Power project. The conversion of closed pulp mill is an option being explored; however, the investment of a new state of the art generator for consumption of wood products for the production of electricity is needed. Granted, this will not alleviate the problem or replace our demand on fossil fuels but it can provide relatively clean power source, provide an alternative use for a struggling industry and do something good for our country, our environment and the future of mankind.

The timber business is a lifelong investment. It is not a get rich quick deal. With taxes continually increasing, landowners, contrary to some thinking, have to do something other than cut, plant, count to twenty cut and plant again. We must learn to manage their stands again. Landowner assistance programs to help offset the cost of management and to encourage landowners to manage their land and timber stands. Selective thinning and burning of stands and taking these stands to longer rotations in efforts to produce a quality product is our only chance of survival.