

State of the Forest:

A Report on Georgia Forests 2003

Georgia has more than 24 million acres of forestland covering two-thirds of the state. While urbanization and population growth are changing land use in Georgia, the state's healthy and dynamic forests continue to play a vital role in the state's economy and overall quality of life. Georgia forests provide wildlife habitat, clean water, clean air, recreation and greenspace, at the same time, providing jobs and forest products.

This report provides a look at Georgia forests using recent data provided by federal and state agencies and educational institutions. The report addresses the amount and condition of forests as well as forestry's impact on wildlife, water and the state's economy. It also assesses some of the challenges and opportunities that could impact the future of the state's forest landowners and forest industry.



Georgia Forests Today: Diverse, Well-Managed and Healthy

Georgia forests are diverse, well managed and healthy and appear to be stable with no significant shifts in the amount and type of forests since 1998, according to new data from the USDA Forest Service¹ and Georgia Forestry Commission (GFC). To assess the condition of forests, the

Of approximately 15.8 billion trees growing on timberland in Georgia; 5.3 billion are softwoods (mostly pine) and 10.5 billion trees are hardwoods.

Forest Service and GFC conduct aerial and ground surveys, specialized timber inventories and forest health monitoring. Other data on water, air and wildlife provide a complete picture of Georgia forests.

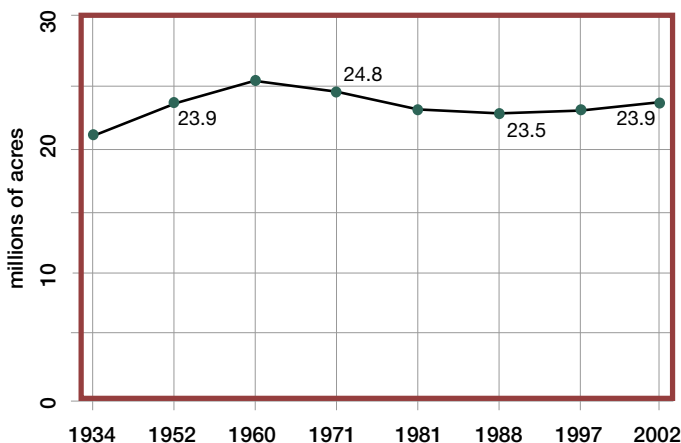
In brief, Georgia has 23.9 million acres of timberland, approximately 44% pine forests and 55% hardwood forests. Despite ongoing forest loss to development and urbanization, the amount of timberland in Georgia

has remained fairly stable across the last 70 years (see chart). In fact, Georgia's forest acreage has actually increased by roughly 200,000 acres over the last five years. Additionally, Georgia forests represent a range of age classes from young seedlings to large sawtimber.

Georgia forests and Georgia residents benefit from the diverse ownership objectives of its 600,000 individual forest landowners that own 72% of the state's forests. They own and manage forests for many reasons including timber production, wildlife, recreation, investment and personal enjoyment.

¹ The U.S. Forest Service Southern Research Station's Forest Inventory and Analysis (FIA) Program and the Georgia Forestry Commission initiated a new annual forest inventory system in 1998. It measures a sample 20% of all inventory plots annually. The information in this report is based on data from the completion of 60% of all forest inventory plots in the state, a statistically sound measure. FIA data for Georgia is available at www.srsfia2.fs.fed.us.

Georgia Forest Area Trends, 1934-2002



Georgia forest area has remained stable across the last 30 years with tree planting on old agricultural lands helping to offset the loss of 1.9 million acres of forest to urbanization from 1961 to 1997.

Economic Benefits of Georgia Forests

Georgia is one of the leading forest products producing areas in the world. According to a recent economic survey² conducted by Georgia Tech's Economic Development Institute, Georgia's modern forest products industry directly contributes \$19 billion to the state's economy. And, that number grows to \$30 billion when you consider indirect contributions from related industries.

Georgia forests are the root of high paying jobs for thousands of rural and urban citizens and of a manufacturing industry that provides timber markets and income for the 600,000 private landowners who own timberland in the state. Timber is also the highest valued crop in Georgia – followed by vegetables, cotton, and peanuts. Because the forestry community is so integrated, recent slowdowns in paper and wood products manufacturing due to increased global competition and a slow economy have a ripple effect across the state. In addition to the loss of direct industry and industry-related jobs, it reduces private landowner's ability to market their timber, and could ultimately result in land conversions due to landowners choosing not to invest in timberland.

The forest industry is an important part of the state's economy, making it critical to focus on programs and policies that will keep it a viable, healthy enterprise now and in the future.

² Economic Benefits of the Forestry Industry in Georgia: 2001, William Riall, Ph.D Economic Development Institute, Georgia Institute of Technology, October 2002

Economic Benefits of Georgia Forests

	Direct	Direct & Indirect
Economic Activity (Business Output)	\$19,522,025,569	\$30,472,391,839
Employee Compensation	\$3,625,679,508	\$7,673,247,082
Jobs	77,266	204,065

This economic data, based on 2001 data, does not provide a completely accurate picture of Georgia's forest industry. Since 2001, a slow economy and increasing global competition has resulted in mill closures and the loss of thousands of forest industry jobs.

Wildlife, Recreation and Quality of Life

Georgia forests provide multiple benefits for the state of Georgia. Providing habitats for diverse animal and plant populations is a major role of the state's 24 million acres of forest. Along with that come many forms of recreation, from hunting and fishing to birdwatching and hiking. In 2001, more than 2 million people enjoyed wildlife-related activities in Georgia, directly contributing more than \$1 billion to the state's economy.

As urban areas expand and the state's population continues to grow, managed and non-managed forests also provide valuable greenspace and enhance the state's air and water quality. From an aesthetic standpoint, trees beautify Georgia communities.

Georgia's diverse forest types – from the upland hardwoods in the mountains and pine forests of the south to the live oak dominated maritime forests on the coast – contribute to the diversity and health of our state's natural communities,

especially wildlife populations. Game species such as deer, turkey and quail thrive in Georgia forests. From near elimination in the early 1900s, Georgia's deer population has grown to 1.2 million today. In the last 25 years, Georgia's turkey population has increased from 17,000 to more than 300,000 turkeys. Much of this was the result of turkey restoration projects on private industrial and non-industrial forestland.

The forestry community also focuses on non-game animals and unique plant communities working with the Georgia Department of Natural Resources Wildlife Resources Division and Natural Heritage Program. Recent efforts to reestablish the longleaf pine and wiregrass ecosystem are helping some of Georgia's most notable protected species such as the red-cockaded woodpecker, gopher tortoise, Bachman's sparrow and the indigo snake.

Although urbanization and resulting forest fragmentation have impacted habitat for neotropical migratory

songbirds, the recent Southern Forest Resource Assessment³ documents that pine plantations of various ages provide food and habitat for many species of migratory birds.

Properly managed forests can enhance wildlife populations and produce valuable forest products at the same

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time. Specific forest management practices such as thinning and prescribed burning are the most commonly used techniques that benefit both timber and wildlife.

³ *The Southern Forest Resource Assessment Summary Report, USDA Forest Service*

Forests & Water Quality

As Georgia's population has grown so have the demands on one of the state's most valuable resources – water. Georgia's 24 million acres of forests play an important role in protecting the quality of the state's water. Forests act as natural filters and trap sedimentation while also providing shade for streams to keep water temperatures cool.

Best Management Practices (BMPs) for forestry that are designed to protect water quality during these types of activities and ensure compliance with the Federal Clean Water Act.

BMP Compliance Improves

To help track BMP implementation and effectiveness, The Georgia Forestry Commission conducts regular BMP

The 2002 BMP survey also showed a strong 85.9% implementation rate on specific BMP practices (streamside management zones, road building, etc.) that should have been implemented. This is a 7% increase from the 1998 survey; however, there is still room for improvement in critical areas such as stream crossings.

Although forestry is a relatively low-intensity land use, soil disturbance does occur during forestry activities such as harvesting, planting and related forest road building. The state has voluntary

compliance surveys across all forest ownerships – family owned, industrial and government. The latest survey, completed in December 2002, evaluated some 40,159 acres or 420 tracts. Results showed 99.1% of the acres evaluated in

compliance across all tracts which is an improvement when compared to 98% compliance in 1998. Significant improvement was made in the area of streamside management zones, stream crossings and road building.

Since the mid-90s, there has been a dedicated effort to improve BMP education within the forestry community. The Sustainable Forestry Initiative (SFI) program in Georgia has provided more than \$1 million in financial support since 1995, enabling BMP education for thousands of logger and foresters. A key component of the SFI-sponsored Master Timber Harvester program is BMP education.

GFC has piloted and plans to launch a new BMP Assurance program in 2003 that will provide additional monitoring of forestry BMPs in 63 watersheds that have been targeted for a reduction of sediment.

The Future of Forestry in Georgia: Challenges and Opportunities

Today, Georgia's forest products industry is a "mature" industry and while still making significant contributions to the state, challenges that affect the future of the state's vital forest industry and related forestry community need to be addressed now. A report from the *Georgia State Forester's Task Force on Marketing* provides historical context and addresses many of the current challenges in greater detail.

Global competition, available markets for wood fiber, taxes and continued urbanization and the resulting impact on land values and taxation are just some of the factors that have already begun to influence the future of the industry. These issues affect forest landowner decisions about future investments in forests and industry decisions about investment in manufacturing facilities.

Along with the challenges, there are opportunities to act now to ensure that Georgia's forestry community remains a critical contributor to Georgia's economy and overall quality of life. Here are some examples of current challenges and opportunities.

Challenges

- Maintaining a **healthy forest business climate** is critical to the ongoing success of forestry enterprises in Georgia. Creation of regulation and legislation that hinders the management, harvesting or transportation of forest products without sound science or justification reduces the competitiveness of Georgia's 600,000 forest landowners in the world market. This applies to the manufacturing sector as well.
- While taxes are crucial in providing essential services to Georgia citizens, the current forest **ad valorem tax structure** is in need of immediate overhaul. In 2002 alone, valuations in many Georgia counties have increased 100 to 200%. Forestland is being appraised at fair market values that don't acknowledge their current use status. The increasing threat of urban sprawl, which raises real land values, along with highest and best use tax appraisal is a disincentive for landowners to keep their land in forests.
- **Global competition** will continue to reduce available markets for Georgia's forest products. In the past two years, an estimated 15 sawmills, one pulp mill, and an unknown number of secondary manufacturers have ceased operations, resulting in job losses of over 5,000 (direct and indirect). A concerted public and private effort is required that will help maintain and expand current forest resource industry, develop new forest industry opportunities as well as promote the use of products from the forest.
- The lack of basic science education in our primary and secondary school system is affecting the critical thinking skills of students. A **strong science curriculum** is needed to develop students who can research, analyze and generate positions based on facts.

Opportunities

- Establish state research and financial **support in developing "new" markets** for forest products. One possible "new" market is the use of wood and wood by-products for supplying some of Georgia's energy needs.
- Establish **tax incentives or credits** to offer strong encouragement for landowners to retain land in forests. These incentives would acknowledge that both urban and rural communities benefit from all aspects of Georgia forests, including clean air, clean water and green space.
- Support the use of **"impact fees"** for residential development. These revenues can be earmarked for reducing the tax base on forestland. Recent studies from the University of Georgia (Dorfman & Black) shows that tax revenue from residential development does not cover the government services required by that development, where as, taxes on forestlands are used for services that are of little benefit to the forest community.
- Adopt the **rural evaluation manual for taxes** that was revised and proposed three years ago. Adoption of the manual can offer some immediate relieve for forest landowners in the state.
- Create a pro-forestry and forest products climate in Georgia through the development of a **forest products marketing campaign**. Marketing messages promoting use of products made from Georgia and Southern trees would target consumers, manufacturers, retailers, and other industrial users.

Georgia Forestry Association
(770) 416-7621
www.gfagrow.org

Georgia Forestry Commission
1-800-GATREES
www.gfc.state.ga.us

Sustainable Forestry InitiativeSM
Georgia Implementation Committee
(706) 542-7691
www.sfi-georgia.org

Quick Facts

Amount of Georgia in forests: 66%

Acres of forestland: 24.49 million

Acres of timberland*: 23.9 million

Tree planting in 2001: 592,560 trees per day on average

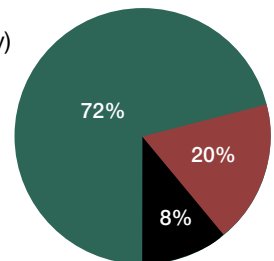
Economic impact of Georgia's forest industry: \$19 billion, direct
\$30 billion, direct & indirect

** Land deemed suitable for growing a certain volume of wood fiber.*

Who owns Georgia forests?

Ownership of Georgia's 23.9 million acres of commercial timberland is divided into three broad classes:

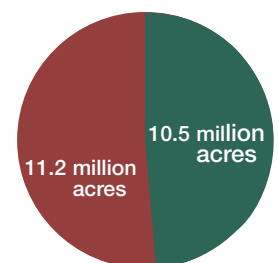
- non-industrial private landowners (farmers, individuals, investors)
- forest industry
- government (federal, state, county)



Hardwood vs. Softwood

Approx. 6.7 million acres of Georgia's softwood forests are planted pines such as loblolly, slash and longleaf. Hardwoods are naturally regenerated.

- hardwood
- softwood



In Brief: Challenges & Opportunities

Georgia faces key challenges that affect the future of the forestry community. Read more about these on the back page of this report.

Challenges

- Maintaining a healthy forest business climate
- Overhaul of ad valorem tax structure
- Staying globally competitive
- Science curriculum that focuses on critical thinking

Opportunities

- Support in developing new markets for forest products
- Tax incentives for forest landowners
- Use impact fees for development to offset tax burden on forestlands
- Adoption of the rural evaluation manual for taxes
- Develop a forest products marketing campaign

Products from Trees

Wood and wood fiber are used in more than 5,000 products, including: lumber, furniture, milk cartons, bath tissue, eyeglass frames, paper, photographic film, vitamins, paint solvents – and thousands of other products.

Industries Supported by Georgia Forests*

- Forestry
- Logging
- Wood products (such as dimension lumber)
- Paper and paper products
- Packaging
- Manufactured housing
- Furniture
- Chemicals
- Miscellaneous wood products
- Woodworking and papermaking machinery

*North American Industrial Classification System (NAICS)