



Montana Department of Natural Resources & Conservation
Trust Land Management Division
Forest Management Program

June 3, 2015

REPORT TO THE ENVIRONMENTAL QUALITY COUNCIL

Forest Management Sustainable Yield Calculation

- Montana Department of Natural Resources and Conservation (DNRC or Department), Trust Land Management Division (TLMD) manages approximately **5.2 million surface** and **6.2 million subsurface acres** for the benefit of the common schools and other endowed institutions in the State of Montana under the direction of the Board of Land Commissioners (Land Board).
- The TLMD Forest Management Program (Program) manages approximately **780,000 acres of forested state trust land** of which the majority is in western Montana. Approximately **580,000 acres** of these forested state trust lands are considered **manageable**.
- Each year, the Department is directed to sell an amount of timber equivalent to the **annual sustainable yield** (MCA 77-5-223). The annual sustainable yield is the **amount of timber that can be harvested from forested state trust lands each year** in accordance with all applicable state and federal laws.
- Currently the annual sustainable yield is **57.6 MMbf**. To put this into context, **DNRC TLMD manages less than 5% of the forested landscape in the state** but accounts for **15 to 20% of the total volume harvested across all forested ownerships in the state**.
- The annual sustainable yield makes DNRC's trust land forest management program the **state's most consistent supply of timber**.
- Statute requires the Department to commission an independent third party to calculate a new annual sustainable yield **at least every 10 years**. This calculation and the related study are known as the **Sustainable Yield Calculation**.
- Previous calculations have been conducted: 1983 – 50.0 MMbf; 1996 – 42.2 MMbf; 2004 – 53.2 MMbf; 2011 – 57.6 MMbf
- The **2004 and 2011 were essentially the same calculation**. The 2011 calculation used the same data, assumptions, and calibrations as the 2004 calculation and only differed by making over 30,000 acres available for management in what was known as the Stillwater Core. This additional acreage became available under the Montana DNRC Forested State Trust Lands Habitat Conservation Plan (HCP) and added 4.4 MMbf to the 2004 calculation increasing it to what it is today – 57.6 MMbf.

- In 2013, **SB 154** was passed, directing the Department to once again commission an independent third party to conduct a new calculation.
- The impetus for this new calculation was the **Department's acquisition of approximately 67,000 acres of forested state trust land since 2010**. These lands are predominantly former industrial forest lands and were not included in the 2011 calculation.
- DNRC **received no funding** to conduct this calculation and is paying for it out of the **Forest Improvement Account**.
- Starting in July of 2013, DNRC set out to undertake **two significant phases of the calculation**.
- On **May 18th**, DNRC distributed the Draft Sustainable Yield Calculation for a **30-day public review period**.
- Since the Department is still undergoing HCP litigation concerning the availability of the Stillwater Core, the report outlines 2 model run scenarios:
 - Stillwater Grizzly Bear Core **available** for management. (57.8 MMbf)
 - Stillwater Grizzly Bear Core **not available** for management. (55.5 MMbf)
- **Helicopter acres** add an additional **1.1 MMbf** – only to be set up and sold when markets are available.
- The total annual sustainable yield could be as high as **58.9 MMbf** at any one given year, depending on the outcome of the litigation and the availability of markets for helicopter sales.
- Why is the sustainable yield calculation **nearly the same** as it was before?
 - **More comprehensive data** – plot data from forested lands, hydrology data, and transportation system data.
 - **Unaccounted mortality** – major fire, insect, and disease mortality events since 2004 were not accounted for in the 2011 calculation.
 - **Better calibration on growth and yield** – DNRC used growth and yield data from Montana forests as well as growth and yield data collected directly from forested state trust lands.
- **Acquisition lands accounted for 4.6 MMbf**. Out of the 67,000 acres acquired, over 88% of the acres were available for management – higher than the average on existing lands.
- The public comment period closes **June 17th**.
- DNRC anticipates releasing the Final Report and taking the calculation before the Land Board this summer.
- DNRC will adopt the new annual sustainable yield starting **July 1, 2015** and will continue to offer a consistent supply of timber to the market.