



## Empire State Forest Products Association New York's Forests and Forest-Based Economy 2019 Budget & Legislative Priorities

*Strategies for sustaining rural communities, forest jobs and businesses,  
and ecosystem benefits from private forest lands.*

New York's forests cover over 19 million acres of land—64% of the State's land area. While state-owned forests in the Catskills and Adirondacks are the most iconic and recognized forests in the state, three quarters – or 14.4 million acres – of New York's forest are privately owned. What's at stake are several hundred thousand family forest land owners who own less than 100 acres of forest and viable forest markets for timber, fiber and biomass. Building on New York's legacy of state forestland stewardship, an extraordinary opportunity lies in investing more deeply in assisting private forest landowners and the forest products industry to secure and sustain the multiple benefits that forests provide to multiple users.

### **Forest Products and the Economy they Create**

Wood harvested from New York's forests annually supplies markets around the world and forest management, harvesting, and local manufacturing support a significant forest economy in New York.

- Over 41,000 New Yorkers are directly employed by the forest sector with a payroll of \$2.5 billion. An additional 53,992 jobs are also generated for a total economic impact of nearly 100,000 jobs statewide and \$3.7 billion additional labor income for a total economic impact of \$6.2 billion in labor income statewide.
- The forest products industry accounts for 9% of all manufacturing employment and ranks 5<sup>th</sup> statewide in manufacturing employment. It also accounts for 7% of manufactured value shipments among all manufacturing.
- The forest products industry generates direct economic impact of \$13.1 billion and a total economic impact of \$23 billion.
- Annual capital investment by the forest products industry in New York is averaging about \$430 million.

### **Forests and the Ecology they Support**

Forests have an important role to play in New York's efforts to protect and manage the environment.

- New York forests sequester over 450 million tons of carbon, a volume that is increasing even as forests are actively managed for timber and other forest products.
- Over the past 50 years and currently, New York forests statewide are growing at 2.5x the rate of harvests.
- Forests provide habitats for New York wildlife including 163 bird, 49 mammal, and 40 amphibian and reptile species.
- Forests account for over half of the open space in New York State and represent 64% of the terrestrial landscape in New York.

### **Forests and the Communities they Sustain**

Forests provide New York's residents and communities with tremendous benefits that contribute to public health, quality of life, and resilience at little or no cost to the community at large.

- New York forests protect the public water drinking supply for over 12 million New Yorkers across the state.
- Forests absorb, filter, and slow the flow of rainfall, reducing the significant and expensive impacts of extreme weather events.
- Trees catch and remove airborne particulates that cause respiratory irritation and illness.
- Forest-based recreation in New York contributes an additional \$8.2 billion to the state economy and employs nearly 32,000 people.
- The average labor income per worker in the forest products industry is nearly \$62,000 which is a family supporting income in mostly rural New York communities.

Maintaining and growing these forest benefits depends on stewarding New York's forests and recognizing that these benefits to all New Yorkers are provided by private forest landowners at their annual expense. While forest policy is complex, it is important to balance and pursue all benefit categories — economy, ecology and community — and not prioritize one to the detriment of others.

Responsible stewardship and use of private forest lands supplies a continuous flow of renewable products and services without impairing long-term productivity or the ecological integrity of New York's forests.

Successful state policy to support and sustain private forest lands will:

- Balance economic, social, and environmental objectives, recognizing the essential contributions that forests make to each.
- Emphasize the development and retention of markets for forest products and services as a priority strategy for enabling private landowners to steward their forests. These markets are what largely enable private forest management.
- Improve the ecological benefits of clean air and water, wildlife habitat and protection and restoration of species of greatest conservation concern; mitigate carbon and climate change.
- Deliver diverse benefits, including jobs and retained wealth, to rural forest-based communities.

### **Policy Priorities**

The Empire State Forest Products Association strongly supports advancing a three pronged approach toward sustaining and growing the benefits of New York's forests and forest based economy. Offered here are common sense and affordable approaches to advancing the value and importance to multiple interest groups who care about New York's forests for the 2019 Budget and Legislative Session.

#### **Economy:**

1. Retain and grow markets for wood from New York's forests with state incentives and address current low grade wood market weakness through:
  - a. Improve the existing Renewable Heat New York pellet boiler rebate program to more effectively serve as a market development tool as originally envisioned.
  - b. Ensure the revision and future efficacy of New York's Clean Energy Standard Maintenance Tier energy policy that supports the development and continuance of in-state biomass renewable energy projects.
  - c. Create a biomass thermal energy credit (T-REC) class within the Clean Energy Standard.
  - d. Support the creation of a Personal Income Tax Credit (PITC) for residential purchase of densified biomass fuels (as proposed in A. 8047-A /S. 5439-B).
  - e. Support a production credit for the manufacturing of biomass fuels from sustainably sourced forest and agricultural feedstock.
2. Strengthen New York's Right-to-Practice Forestry Law.
3. Amend the allowable width of vehicles on highways from 8' to up to 17' for "farm purposes" to include silviculture.
4. Increase funding for the Governor's Wood Products Development Council to further develop markets for New York wood products and address research needs for the forest industry.
5. Create state procurement preferences for New York wood products.

#### **Ecology:**

1. Establish and fund a new grant programs under the Environmental Protection Fund to cost share private landowner implementation sound forest management and regeneration.
2. Establish and fund through the Environmental Protection Fund the next generation of Working Forest Conservation Easements through land trusts working with private family forest owners.
3. Establish and fund the proposed Climate & Applied Forestry Research Institute (CAFRI) to deliver on our State's long-term commitments to simultaneously reduce our net GHG emissions by increasing carbon sequestration benefits of our working forest and agricultural landscapes.

#### **Community:**

1. Streamline and improve New York's existing forest tax law (RPTL section 480-A) to incentivize forest management and increase family forest landowner enrollment.
2. Establish a new grant program under the Environmental Protection Fund to support local governments and non-profits to acquire and manage community-owned forests.
3. Support job retention and creation in our forest based businesses through enhanced training and work force development.