



MINNESOTA FOREST INDUSTRIES

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House Capital Investment Committee

3-26-2026

RE: HF4383 Forests and forestry capital project funding.

My name is Tom Radovich. I am the Executive Vice President of Minnesota Forest Industries, a trade association representing the forest products companies in Minnesota which support 32,000 direct jobs. I am here today to show our support for House File 4383 which will improve overall forest health critical for recreation, wildlife habitat and forest product economies.

Over the past decade the annual DNR Forest Health reports indicate a concerning trend in the number of forest acres impacted by disease, infestation, and severe weather events. From 2015 to 2025, the total forest acres impacted by these threats steadily increased from 300,000 to 1,200,000 acres. Mitigation of this forest health threat requires site level forest stand improvement and tree planting. Yet our annual reforestation investment does not align with the need. The DNR needs \$8M per biennium for reforestation activities. Unfortunately, capital investment for reforestation has only met this need once in the past five years. As a result, site level forest stand improvement and tree planting has dwindled to less than 10,000 acres per year.

Compounding this expanding forest health threat is a potential decline in the primary tool used to mitigate these threats which is timber harvesting. Every year in Minnesota, about 23% of the total timber harvest comes from state forests. The wood used to make our products must be certified through the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) programs. Both are independent 3rd party programs that outline sustainable forest management. When wood is harvested from state lands, SFI and FSC certification protocols require reforestation within a 5-year period. Since the DNR is required by law to reforest harvested acres, without sufficient bonding funds, DNR must pay a higher percentage of reforestation cost from the Forest Management Investment account. However, this account also supports timber sales and forest road maintenance. This shift in funding could result in DNR offering fewer acres of timber harvest needed for proper forest health and wildfire mitigation.

Reforestation is costly because it is labor intensive. Seed gathering, seedling care, site preparation and post planting activities require a significant investment. Reforestation costs average \$700-\$1000 acre depending on site condition. However, reforestation is a good investment. A 2024 study by NC State University found that reforestation provides a 9-10% return on investment due to the social, ecological and economic benefits that come from forests. Funding for reforestation and site level stand improvement in our state forests will enhance ecological resiliency, improve soil and water quality and provide wildlife habitat in areas available to the public. In addition, the investment supports jobs and local communities that rely on these natural areas.

In closing I say let history be our guide for reforestation investment. Between 1933 and 1942 during the Great Depression, over 77,000 young men of the Civilian Conservation Corp worked in remote camps in the northern part of our state. They planted over 120 million trees and built 147 lookout towers to protect these new forests from wildfire. Their efforts resulted in what is now the Chippewa and Superior National forest that all Minnesotans and tourists enjoy today. Minnesota's heritage is on-going investment in our most cherished natural resource, our restored forestland.