

State Forest Nursery Program Fiscal Year 2023 Legislative Report

04/23/2024



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As requested by Minnesota Statute 3.197: This report cost approximately \$1,450 to prepare, including staff time, printing, and mailing expenses.

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Statutory Reference

Minnesota Statutes, section 89.36

PRODUCING AND PROCURING PLANTING STOCK

Subd. 4. **Annual report.** The commissioner (of natural resources) shall submit an annual report to the legislature relating to the production of planting stock at state nurseries. The report must include the following: sale figures; income figures; and expenses for operations and administration.

Minnesota Statutes, section 3.197

Required Reports

A report to the legislature must contain, at the beginning of the report, the cost of preparing the report, including any costs incurred by another agency or another level of government.

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Executive Summary

The Minnesota State Forest Nursery, located ten miles south of Akeley in the Badoura State Forest, grows conifer and hardwood seedlings for reforestation on public and private lands. It is currently the only large-scale Minnesota nursery for native, conservation-grade conifer and hardwood seedlings. Primarily supported by seedling sales, the nursery is known for seed sourcing controls, seed extraction and cleaning, and tree cultivation that creates high-quality seeds and seedlings to support public and private reforestation efforts.

The nursery sold 2.9 million conifer, hardwood, and hardwood shrub seedlings during FY2023. Fifty-two percent went to public land reforestation efforts and forty-eight percent went to private land reforestation. Sales were consistent with the most recent 5-year average excluding the FY2020 COVID-19 year. FY2023 receipts for seedling sales were \$1,136,980, direct seed sales for aerial seeding and delivering to contract growers totaled \$164,679, and interest and cash overages equaled \$8,519. This results in total nursery receipts of \$1,310,178 in FY2023; total expenses from the dedicated nursery account were \$631,034. More information about overall FY2023 State Forest Nursery Account revenues and expenses can be found in Appendix 1.

The FY2023 year-end fund balance in the State Forest Nursery Account was \$1,176,158. Rebuilding the nursery dedicated fund balance to \$1.5 million is needed. The fund balance is important for withstanding unforeseen agricultural disruptions that may occur in any given fiscal year.

FY2023 saw a slight increase in seedling revenue from the previous year. Revenue proceeds increased by \$79,171 while the number of seedlings shipped decreased by 137,000. Increased revenue was due in part to seedling price changes for FY2023. The Minnesota Department of Natural Resources (DNR) adjusted pricing upward for some species.

The DNR is in the process of increasing production at the nursery, within the statutory limitation of 10 million tree seedlings per year, to meet current and future needs. This is funded by a one-time appropriation of \$1.25 million each year in FY2022 and FY2023 that was approved by the 2021 Legislature and signed by the Governor.¹ These funds were used to replace aging equipment and improve operational capabilities. These expenditures are included in the information provided in this report on FY2023 nursery operations.

Climate change mitigation and adaptation will continue to drive future demand for increased seedling production and seed sourcing for reforestation. Recognizing that new capital investments are needed to ensure the nursery can effectively sustain its long-term role in meeting Minnesota's reforestation needs, Governor Walz and Lt. Governor Peggy Flanagan's 2023 Capital Investment Budget included a \$10 million investment to modernize seed extraction, seedling storage facilities, and processing capacity at the State Forest Nursery. The legislature approved the funding. Additional information about specific funding uses, challenges, opportunities, and modernization needs facing the nursery are discussed in more detail in this report.

¹ Laws of Minnesota, 2021, 1st Special Session, Chapter 6, Subdivision 4(i).

Introduction – State Forest Nursery Program, Division of Forestry

The Minnesota State Forest Nursery began producing conservation-grade seedlings for reforestation in the early 1930s. To date, more than one billion State Forest Nursery-grown seedlings have been planted on public and private lands.

Minnesota Statutes, Section [89.36](#), authorizes the nursery to produce, exchange, or purchase up to 10 million seedlings each year. Cones and seed, purchased from private pickers, are prepped and cleaned for aerial seeding or planting to grow seedlings. After two or three years of growing, seedlings are lifted from the field and shipped to final planting or reforestation sites across Minnesota. To supplement nursery operations, each year 100 thousand to 1 million seedlings are purchased from private producers for resale.

Seedlings purchased from the nursery must be used to establish or reforest harvested lands, wood lots, windbreaks, and shelterbelts or for erosion control, soil and water conservation, environmental education, or permanent food and cover for wildlife. Conservation-grade seedlings grown at the nursery differ from landscape-grade seedlings produced in many private nurseries. Conservation-grade seedlings are smaller (5-12 inches long), which makes them easier to plant in large quantities. They are also produced from seed collected in Minnesota, thereby helping to preserve and promote local genetic diversity and ensure the trees will grow where they are planted. The nursery grows conifer and hardwood tree species, as well as some shrubs, for these purposes.



State Forest Nursery Mission Statement

Our mission is to produce bare-root seedlings that are Minnesota-hardy, high quality, and reasonably priced for public and private landowners. We are dedicated to helping protect the sustainability of Minnesota's diverse forest resources and continuing our state's proud tree planting heritage.

Sales and Production Summary, Fiscal Year 2023

In FY2023, the nursery shipped 2,925,650 tree and shrub seedlings. Of these, the nursery produced 2,603,050 seedlings and 322,600 seedlings were purchased from licensed private producers or obtained via trades with other state or federal government nurseries (Figure 1). Public lands received about 52 percent and private lands received 48 percent of the seedlings (Figure 2).

The nursery grows and sells three types of seedlings: conifer, hardwood, and shrub species. Most trees grown and sold are conifers (Figure 3). Shrubs are sold in much smaller quantities, primarily to private landowners. Shrubs include dogwood, wild plum, chokecherry, and other small woody plants. These varieties are often sold in mixed packets to landowners for wildlife habitat. Table 1 contains a complete list of seedlings sold in FY2023. The revenue generated by seedling sales at the nursery in FY2023 was \$1,136,980. Total revenue at the nursery including seed sales for FY2023 was \$1,310,178. A breakdown of revenue sources is included in Appendix 1. A description of accounts receivables is included in Appendix 2.

Figure 1: FY2023 Seedling Sources

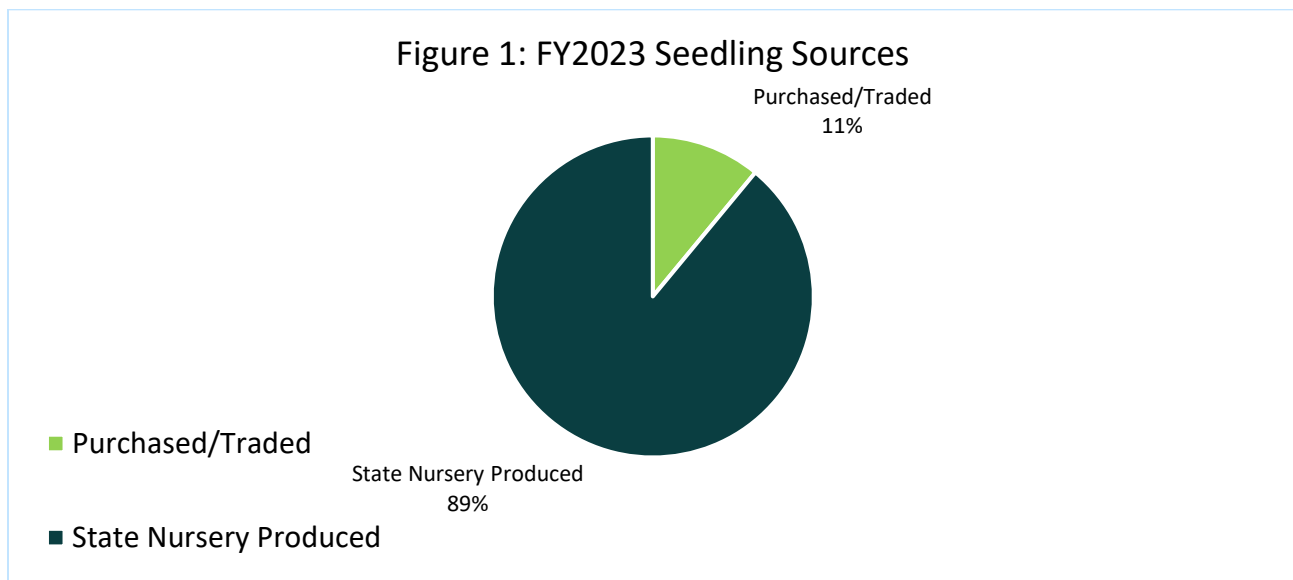


Figure 2: FY2023 Seedling Distribution

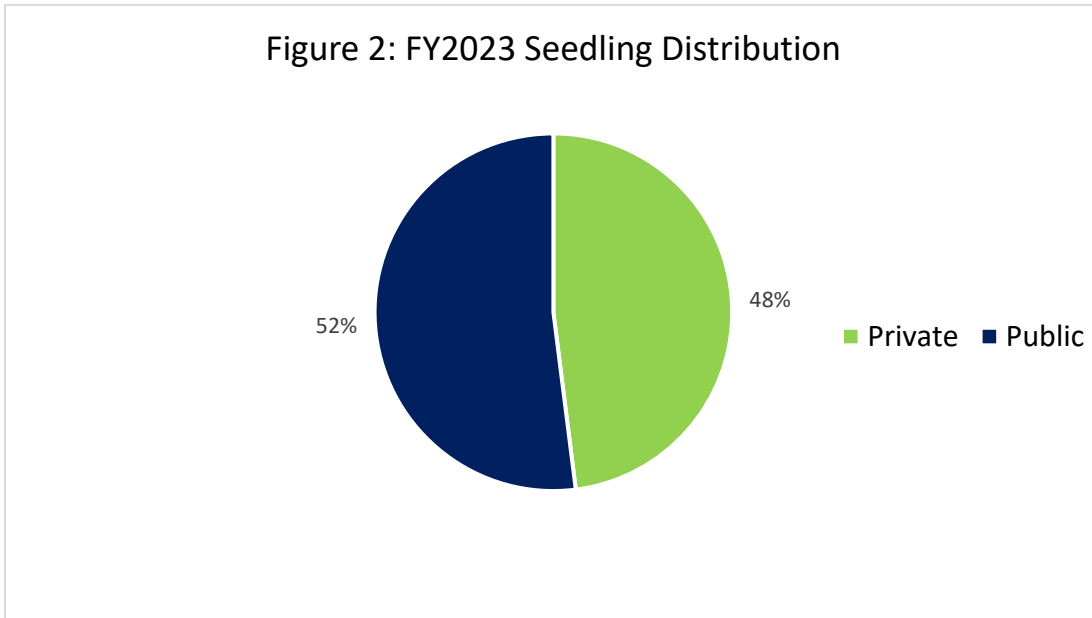


Figure 3: FY2023 Seedling Sales by Types

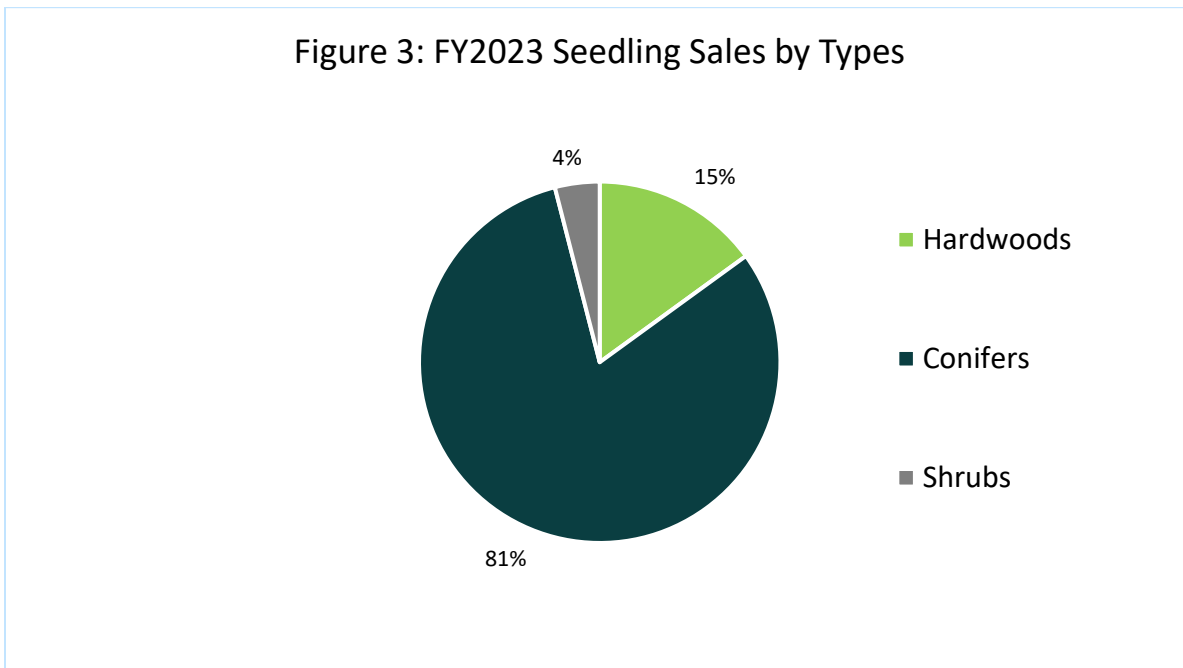


Table 1: FY2023 Seedling Sales by Species and Producer

Product	State-Produced Seedlings	Purchased/Traded Seedlings	Total Seedlings Shipped
NORWAY PINE 6"+	963,300		963,300
NORWAY PINE TR	50,400		50,400
WHITE PINE 5"+	416,600		416,600
WHITE PINE TR	27,950		27,950
JACK PINE	279,600		279,600
WHITE SPRUCE 5"+	412,500	150,000	562,500
WHITE SPRUCE TR	38,500		38,500
TAMARACK	8,200		8,200
BLACK SPRUCE	12,000		12,000
WHITE CEDAR		3,600	3,600
RED OAK	194,300		194,300
BUR OAK	68,100		68,100
WHITE OAK	35,900		35,900
SWAMP WHITE OAK	30,600		30,600
SILVER MAPLE	23,200		23,200
BLACK CHERRY		5,000	5,000
YELLOW BIRCH	7,700		7,700
BITTERNUT HICKORY	2,900		2,900
BLACK WALNUT		42,500	42,500
TREMBLING ASPEN	17,800		17,800
HACKBERRY	5,800	10,000	15,800
NANNYBERRY		8,000	8,000
CHOKECHERRY		22,600	22,600
JUNEBERRY		10,000	10,000
WILD PLUM	7,700	23,500	31,200
RED OSIER DOGWOOD		47,400	47,400
Totals	2,603,050	322,600	2,925,650

Total nursery expenses in FY2023 were \$2,567,004. Of this, \$886,111 were payroll expenses and \$1,680,893 were nonpayroll expenses (Table 2). Total expenses include nursery dedicated account, one-time accelerated tree planting, and forest management general fund appropriations. Encumbrances remaining to be paid in FY2024 were \$27,837. All one-time accelerated tree planting appropriations that expired in FY2023 have been utilized and a breakdown of those expenditures is provided in the next section of this report. Descriptions for the expense categories are included in Appendix 4. A 10-year history of nursery dedicated revenues, expenditures, and fund balances is included in Appendix 3.

Table 2: Nursery Expenses – Payroll vs Non-Payroll

Type	Nursery Account	One-Time and GF Accounts	Total Expenditures	Percent
Payroll expenses	\$109,858	\$776,253	\$886,111	35%
Non-payroll expenses	\$493,339	\$1,187,554	\$1,680,893	65%
TOTAL	\$603,197	\$1,963,807	\$2,567,004	100%

Table 3: Payroll Expenses Breakdown

Type	Nursery Account	One-Time and GF Accounts	Total Expenditures	Percent
Full-time salary	\$36,897	\$444,844	\$481,741	54%
Part-time and seasonal salary	\$50,412	\$304,085	\$354,497	40%
Other employee costs (includes unemployment and worker's compensation)	\$22,549	\$27,324	\$49,873	6%
TOTAL	\$109,858	\$776,253	\$886,111	100%

Table 4: Nursery Non-Payroll Expenses Breakdown

Type	Nursery Account	One-Time and GF Accounts	Total Expenditures	Percentage
Supplies, printing, and advertising	\$272,330	\$190,519	\$462,849	28%
Fleet and travel	\$69,217	\$22,815	\$92,032	5%
Computer systems and communication	\$55,480	\$238,074	\$293,554	17%
Utilities	\$27,006	\$0	\$27,006	2%
Other operating costs	\$34,581	\$163,681	\$198,262	12%
Agency costs	\$15,684	\$103,013	\$118,697	7%
Equipment and repairs	\$19,041	\$37,657	\$56,698	3%
Capital	\$0	\$431,795	\$431,795	26%
TOTAL	\$493,339	\$1,187,554	\$1,680,893	100%

Expenditures for Accelerated Tree Planting Appropriation – FY2022-23

This section provides a summary of the expenditures from the accelerated tree planting appropriation for the 2023-24 biennium². The language identified the intended funding uses as follows:

“\$1,250,000 the first year and \$1,250,000 the second year are for accelerated tree planting and increasing seed collection and conservation-grade tree seedling production at the state forest nursery and providing cost-share incentives to increase tree planting. This is a onetime appropriation.”

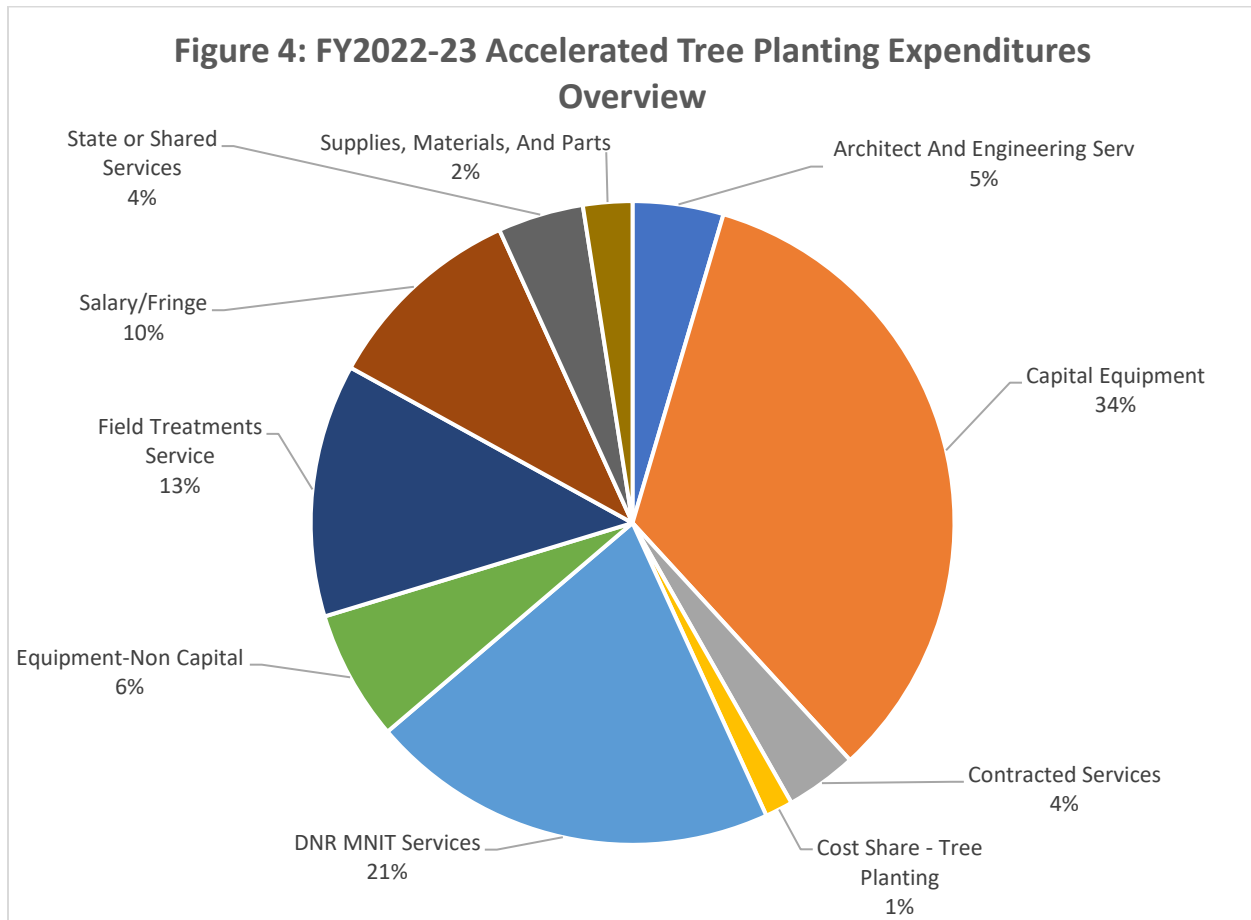
The goal for this funding was to increase tree-seedling production from the current 3 million annual seedling production toward the 10 million statutory limit.

Table 5: Total Accelerated Tree Planting Expenditures and Encumbrances for FY2022-23

Cost Category	Amount	Percent of Costs
Architect and Engineering Serv	\$114,063	4.6%
Capital Equipment	\$840,623	33.6%
Non-Capital Equipment	\$163,436	6.5%
Contracted Services	\$89,832	3.6%
Cost Share - Tree Planting	\$34,824	1.4%
MNIT Services	\$514,953	20.6%
Field Treatments	\$317,663	12.7%
Salary	\$254,919	10.2%
Supplies, Materials, and Parts	\$107,835	2.5%
Shared Services	\$61,852	4.3%
Total	\$2,500,000	100%

² Laws of Minnesota, 2021, 1st Special Session, Chapter 6, Subdivision 4(i)

Figure 4: FY2022-23 Accelerated Tree Planting Expenditures Overview



Challenges and Opportunities

The Nursery faces many current and future challenges, including impacts related to climate change, labor shortages, and aging facilities and infrastructure.

Nursery Growing Capacity and Reforestation Expectations

Climate change is anticipated to negatively affect the northern boreal forests. Adaptation efforts will be needed to increase hardwood species in areas historically populated by conifers, which will directly affect the State Forest Nursery’s production capacity. For example, a planted nursery bed of red pine produces approximately 40,000 sellable seedlings. By contrast, a bed of maple or oak produces only about 15,000 seedlings. If production shifts from conifers to hardwoods, more planting beds/area will be required to grow the same number of seedlings.

Minnesota’s forests play an important role in the sequestration and long-term storage of atmospheric carbon. One important strategy to mitigate climate change is to increase the amount of carbon that forests store in trees and in forest soils. Reforestation, increasing the tree density in existing forests, and planting new forests on

open lands where forests once stood, are among the most promising opportunities to achieve long-term offsets to carbon emissions.

The DNR has worked with other state agencies and the Governor's Climate Change Advisory Council to develop The Minnesota Climate Action Framework. This framework identifies restoring more forests and enhancing forest resiliency as priority actions to help Minnesota mitigate and adapt to climate change. The Nature Conservancy has also developed a Minnesota Million initiative that proposes to reforest one million formerly forested acres in Minnesota by 2045. Other agencies, boards, nonprofits, and businesses -- including the Minnesota Forest Resources Council -- have identified reforestation as an important climate strategy for Minnesota. The U.S. Forest Service has begun requesting grant proposals from state agencies and tribes to build stronger seedling production capacity. As noted previously in this report, the DNR is in the process of increasing the seedling production capacity of the nursery.

The State Forest Nursery by itself cannot supply all the conservation-grade seedlings that will be needed to implement these reforestation and forest adaptation goals and strategies. While there is capacity to further increase production at the nursery, increased seedling production will also be needed at tribal and private nursery facilities. Toward this end, the Minnesota Forest Resources Council recently passed a resolution that recommends enhancing public and private forest nursery capacity in Minnesota (see Appendix 4).

Seed and Cone Collection

Growing more trees requires planting more seeds, which in turn requires increases in seed and cone collection. The DNR can no longer rely solely on the diminishing population of pickers to supply the volume of seeds and cones needed to meet the increasing seedling demands. Maintaining a robust, diversified, sustainable seed procurement program is critical to increasing long-term nursery production, and requires investment of time and resources. The DNR is currently bolstering efforts in this area, for example by creating a seed procurement specialist position, and reviewing the seed collection operation to ensure adequate seed can be collected to meet the increased production needs. Two options that are being explored to increase seed production are 1) increasing the seed orchards in Minnesota and 2) contracting for seed and cone collection rather than solely relying on volunteer pickers paid per bushel. Other possibilities include using aerial cone harvesting techniques currently being used on the west coast. The DNR has received over \$230,000 in federal grant funding and \$400,000 each year for the FY24-25 biennium from the Minnesota Legislature to increase seed procurement.

Seed orchards

The DNR has over 20 small seed orchards around the state. These orchards consist of fields of trees that are maintained solely for seed production. Various techniques, such as grafting the tops of high-production mature trees onto younger stock, allow for greater production and easier seed gathering in seed orchards. One big advantage offered by seed orchards over seed and cones gathered from existing forests is the ability to select seed from the healthiest and highest quality trees to improve the productivity and resiliency of future forests. The additional FY2024-25 state funding and federal grant funding will be used to expand seed orchards and improve the quality of existing orchards.

Contract seed and cone collection

The Minnesota DNR currently advertises the need for seed and cones and posts the compensation amounts, which are typically per bushel or pound. Advertising is via the DNR website, news releases and social media, to provide information regarding how and where to collect and deliver seeds and cones. The DNR relies on pickers to “self-select” to engage in this activity and bring their collected seeds and cones to designated DNR sites for purchase. The population of pickers engaging in this activity is decreasing, resulting in short supplies of seed for the nursery. Other states have successfully used contract seed and cone collectors to secure additional seed. Contracting for seed collection has the potential to expand collections in Minnesota in addition to the amounts received from the traditional voluntary picker approach.

The states of Illinois and Washington both rely heavily on contract pickers. Contract agreements are executed between the state agency and pickers prior to collection activities; these contracts define where seed may be collected and how the picker will be paid. This practice has several advantages over Minnesota’s private voluntary picker approach. Foresters in the field can identify areas and species showing good seed crop production and point contract pickers to areas where cones can be more readily retrieved. Contracted workers can be trained in more detail and certified to identify cone and seed quality. Contracts also give the state agency better control over seed sourcing by directing contracted pickers to specific tree stands with superior growth and form traits, toward tree species with bumper crop years, or to collect seed and cone from specific tree species to address seed inventory shortages.

New methods for seed collection are also being explored. For example, Conservation Corp contract crews were used to collect seed from an orchard, and additional support from “Sentenced to Serve” agreements with the Department of Corrections can be pursued. Tops can be removed from trees at timber harvest sites and transported to locations where workers can harvest the seed.

Labor

Skilled, temporary manual labor is always in high demand. Other local seasonal agricultural operations such as potato growers have planting and harvesting timelines that coincide with State Forest Nursery staffing needs. An additional challenge is the nursery’s location in a small, rural community. The seasonal workers who traditionally support the spring seedling lift and shipping season are retiring. To date, younger workers have not shown as much interest in replacing them.

To mitigate labor shortages, the DNR employs contract work crews to sort and grade seedlings during the spring lift. Contract crew performance is proving to lower nursery costs and improve output. The contract crews are comprised of experienced workers and are a cost-effective approach to mitigating local and seasonal labor shortages.

Modernization

In 2022, the DNR completed an analysis of the modernization needed at the State Forest Nursery to support ongoing and increased seedling production. This resulted in a feasibility study that identified a three-phase effort to aid the State Forest Nursery in effectively sustaining its role in meeting Minnesota’s current and future reforestation needs: 1) add a cooler building to address cold storage needs; 2) modernize the existing seed

extractory building, office, sorting/grading/packing sheds and cone storage areas; and 3) construct a greenhouse and associated facilities needed to produce plug seedlings in addition to bareroot seedlings at the nursery.

In FY2023, the DNR initiated the project to construct a new cooler building to support increased seedling production at the nursery. This project is funded by a mix of General Fund, State Forest Nursery Account and federal grant dollars. The new cooler will be used during both the fall and spring lifting seasons and provide high-quality storage using modern environmental controls. The construction contract has been awarded for this project and the DNR anticipates breaking ground on this cooler build in 2024 pending contractor schedule confirmation.

In addition, the 2023 Legislature passed, and Governor Walz signed, a capital investment budget that includes \$10 million to modernize the seed extractory building, office, sorting/grading/packing sheds and cone storage areas at the nursery. Modernization will allow the DNR to enhance current and future seedling production, reduce the risk of seed and seedling loss, and improve safety and energy efficiency. More information about each element of this phase of the modernization effort is provided in the following paragraphs.

Upgrading the sorting and packing building

The 2022 feasibility study identified that the orientation of the existing buildings, coolers, sorting and grading lines, and shipping areas does not allow for the efficient or safe processing of trees. The nursery was designed to deliver high volumes of conifer seedlings primarily for large-scale plantings on public lands with a small, separate sorting line for private landowner tree orders. Greater hardwood production to advance reforestation for climate mitigation and to serve an increasing private customer base requires redesigning the facilities to accommodate shipping a higher volume of hardwoods and to meet customer needs within the 6-week seedling harvest timeframe.

Modernized seed extraction

Extracting seed from cones is a critical aspect of the nursery's operations to ensure climate-appropriate seed is available. Seed is used for both planting seedlings at the nursery and aerial seeding of some public land timber harvest sites. The current seed extraction building and equipment dates to the 1980s, is inefficient and expensive to operate and is becoming impossible to repair. New seed-extraction equipment using up-to-date technology will improve energy efficiency, reduce water use, and decrease seed extraction time. A redesigned seed extractory building will improve efficiency, workflow and safety from the cone drying shed through the seed extraction process.

Increased seedling storage capacity

In light of projections that Minnesota's future climate will favor hardwood trees, the nursery needs the capacity to produce more hardwood seedlings. This will require additional cooler space because hardwood seedlings needed for central and southern Minnesota plantings are lifted in the fall, stored in coolers over winter, and shipped in the early spring before the ground at the nursery has thawed enough for the spring lift. The nursery has barely enough seedling storage capacity to meet current needs, let alone the anticipated increased needs of the future.

Refrigerated storage capacity has been identified as a critical short and long-term need at the Badoura facility. The cooler project that began in FY2023 will meet the most urgent needs to expand storage capacity for storing

seedlings during lifting, sorting, and grading operations during Minnesota’s short fall and spring harvest timeframes. The additional \$10 million capital investment funding received in FY2023 will allow for upgrading the currently aging coolers that hold seedlings waiting for shipment.

Improved energy efficiency and outage failure

In the event of a prolonged power outage or equipment failure, tens of thousands of dollars of refrigerated processed seed and seedlings are currently at risk of loss due to inadequate and aging backup power systems. Generators and automated generator hook-ups that can operate in a power failure will be installed with the other modernization projects to address this risk. Installing temperature and humidity regulation systems with backup power support will improve seedling quality and energy efficiency.

Bare-root and Plug Seedlings

Currently, no private or public nursery in Minnesota produces large enough quantities of conservation-grade “plug seedlings” (sometimes called “containerized seedlings”) to meet the State of Minnesota’s reforestation needs. Aptly named, the roots of plug seedlings are surrounded by a soil plug and are grown in plastic trays or styrofoam blocks inside a large greenhouse. Plug seedlings, which have better survival rates after planting, are strongly preferred over bare-root seedlings (the type of seedling currently produced at the State Forest Nursery) for some conditions. Producing plug seedlings at the State Forest Nursery would reduce Minnesota’s current dependence on a single, out-of-state commercial grower of plug seedlings and help ensure the state has the seedling stock needed for reforestation and climate mitigation efforts.

One of the challenges associated with bare-root seedlings is the short window of opportunity to harvest (i.e., “lift”) the seedlings from the growing beds at the nursery and transport and plant them at reforestation sites. The lifting, sorting, packing, shipping, and final planting of bare-root seedlings all must occur in a five- to six-week window each spring between when frost leaves the ground and when the seedlings break their winter dormancy. In contrast, plug seedlings are more easily stored and have a wider planting window. This means that more seedlings can be planted each spring and land managers can store seedlings if needed to avoid planting in conditions that reduce seedling survival rates. Ultimately, a combination of bare-root and container-grown plug seedlings is needed to provide the best options to successfully reforest more acres in Minnesota. Expanding the state forest nursery’s capacity to grow plug seedlings is an option to increase production and provide seedlings to areas not suited well for bareroot stock. Funding to add the production of plug seedlings to the State Forest Nursery operations has not yet been secured.

Summary

The State Forest Nursery continues to play a vital role as the only large-scale Minnesota supplier of conservation-grade seedlings for reforestation efforts on state-administered and private lands. In FY2023, the nursery supplied 2.9 million seedlings for reforestation efforts on public and private land.

The DNR is increasing seedling production at the nursery with one-time funding provided by the 2021 Legislature. Funding provided in the 2023 Capital Budget and the FY2024-25 biennial budget will be used to modernize facilities and further expand production so that the State Forest Nursery, together with private and tribal nursery facilities, can meet the demands of current and future reforestation needs.

Appendices

Appendix 1.1: FY2023 Statement of Revenues and Expenses, Dedicated State Forest Nursery Account

Description	Amount
Balance beginning FY23	\$497,014
Revenues	
Nursery Seedlings	\$1,136,980
Nursery Seed*	\$164,679
Refunds of Prior Year Expenditures/Cash Overages	\$4
Investment Income	\$8,515
Total Revenues	\$1,310,178
Expenses	
Salary and Other Compensation	\$109,858
Supplies and Expenses	\$493,339
Equipment and Capital Improvements	\$0
Remaining Encumbrances	\$27,837
Total Expenses	\$631,034
FY2023 Revenues Minus Expenses	\$679,144
Ending Balance Roll Forward to FY24	\$1,176,158

*Seed is sold to reforest state-administered lands either through direct aerial seeding or distribution to contract growers to be delivered back to the Division of Forestry for planting on state lands.

Appendix 1.2: FY2023 Statement of Expenses, Funds Expended from Other Accounts on State Forest Nursery Activities

Expenses	Amount
Salary and Other Compensation	\$776,252
Supplies and Expenses	\$718,102
Equipment and Capital Improvements	\$469,452
Remaining Encumbrances in FY23	\$0
Total Expenses	\$1,963,806

Appendix 2: FY2023 Accounts Receivables and Cash Sales

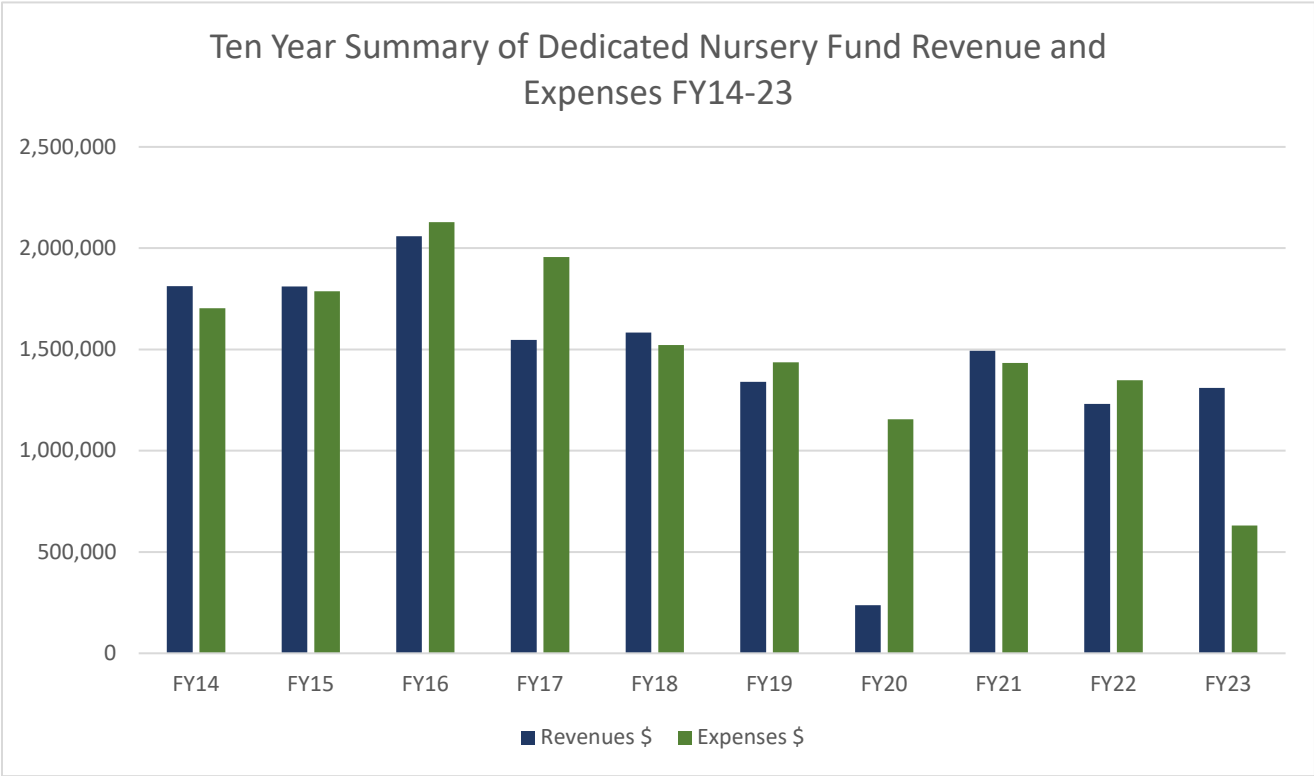
Description	Amount
Receivables remaining from prior fiscal years	\$6,817
FY23 Accounts Receivables	\$866,323
FY23 Write Offs and Adjustments	(\$3,305)
Total Receivables	\$869,835
Outstanding Receivables in FY23	\$869,835
Collected on Receivables in FY23	\$768,936
Remaining Receivables to be collected in FY23	\$100,899
Collected Cash Sales in FY23	\$541,241
Collected on Receivables in FY23	\$768,936
Refunds in FY23	\$0
Total Collected Revenue FY23	\$1,310,177

*Adjustments are used to cancel and/or correct invoice amounts and write-offs (e.g., people canceling or changing their seedling order amounts)

**WIRES reports were used for the amounts billed, collected, and adjusted. WIRES is the DNR's revenue/receivable system and stands for Web Integrated Revenue/Receivable System.

Appendix 3: Ten-Year Summary Analysis of Revenue and Expenses FY2014-2023

Year	Beginning Balance \$	Revenues \$	Expenses \$	Ending Balance \$
FY 2014	1,855,103	1,812,082	1,703,114	1,964,070
FY 2015	1,964,070	1,810,865	1,787,504	1,987,431
FY 2016	1,987,431	2,058,630	2,127,752	1,918,310
FY 2017	1,918,310	1,546,417	1,956,735	1,507,991
FY 2018	1,507,991	1,583,790	1,522,104	1,569,678
FY 2019	1,569,678	1,339,985	1,436,427	1,473,236
FY 2020	1,473,236	237,235	1,155,975	554,497
FY 2021	554,497	1,493,505	1,433,306	614,696
FY 2022	614,696	1,231,006	1,348,695	497,007
FY 2023	497,014	1,310,177	631,034	1,176,157
3 Year Average	555,402	1,344,896	1,137,678	762,620
5 Year Average	941,824	1,122,382	1,201,087	863,118
7 Year Average	1,162,203	1,248,874	1,354,897	1,056,180
10 Year Average	1,493,890	1,457,057	1,510,265	1,440,682



Note: When completing the 10-year table we adjust the previous fiscal year to actuals. Due to the timing of the report, encumbrances are either actually incurred or cancelled. An adjustment is made to the previous fiscal year carryforward.

Appendix 4: Description of FY2022-23 Accelerated Tree Planting Expenditures by Category

Expenses included in each category are:

1. **Architect and Engineering Serv** – Consulting expenditures for the design of a new seedling cold storage building.
2. **Capital Equipment** – Replacement of tractors, a dump truck for hauling conifer tops for cone extraction, bailers, etc.
3. **Non-Capital Equipment** – Seeders, augers, fanning mills for seed extraction, field cultivators, harvesting sickle bars, seedling lifters, rotary rakes, etc.
4. **Contracted Services** – Primarily labor for doing field work, seedling grading, inventory, and work on equipment.
5. **Cost Share for Tree Planting** – Financial incentives to private landowners for tree planting.
6. **MNIT Services** – Expenditures to build a new on-line seedling ordering and inventory system and for communication and connectivity services.
7. **Field Treatments Service** – Fumigation, peat, field leveling, bed expansion, and other amendments to improve existing field production and expand capacity.
8. **Salary** – State Forest Nursery employee compensation including salary, fringe, and business expenses reimbursements.
9. **Supplies, Materials, and Parts** – Replacement parts, construction materials, seed extraction replacement screens, seedling totes, ramps, etc.
10. **Shared Services** – Direct and indirect costs for purchasing, contracting, human resources, etc.

Appendix 5: Minnesota Forest Resource Council Resolution for Increased Seedling Production



MINNESOTA FOREST RESOURCES COUNCIL Resolution 2023-4

WHEREAS the Minnesota Forest Resources Council was established by the Sustainable Forest Resources Act (SFRA) of 1995 to promote the long-term sustainable management of Minnesota’s forests.

WHEREAS the seventeen members of the Minnesota Forest Resources Council are appointed by the Governor and the Minnesota Indian Affairs Council and represent diverse stakeholder groups concerned about sustainable forest management.

WHEREAS, Dick Rossman, Forest Management Guideline Program Advisor, has worked for the Minnesota Forest Resources Council (MFRC) since 2021 through a post-retirement option assignment serving as liaison to MFRC’s Site-Level Committee, and during his tenure has been instrumental to the process of updating Minnesota’s 2012 Forest Management and Timber Harvesting Guidelines.

AND WHEREAS, Dick Rossman has shared his professional expertise, wisdom, and assistance in many related MFRC endeavors including field reviews of public concerns registered with the Minnesota Forest Resources Council, the reintroduction of field training programs on forest management guidelines, and the overall strategic advancement of sustainable, site-level management and protection of Minnesota’s forest resources.

BE IT THEREFORE RESOLVED that the Minnesota Forest Resources Council unanimously conveys its appreciation to Dick Rossman for his dedication, contributions, and service to the citizens of Minnesota and to the state’s forest resources.

Pete J Aube 07/19/2023
Pete Aube, Chair Date

Eric W Schenck 07/19/2023
Eric Schenck, Exec. Director Date