MINNESOTA SPECIAL FOREST PRODUCTS PROJECT

Final Report

This Project Was Conducted for the Minnesota Department of Natural Resources - Forestry Division

February, 1993

Introduction

In July of 1992, Mater Engineering, Ltd. of Corvallis, Oregon was retained by the Minnesota Department of Natural Resources - Forestry Division to evaluate the range of special or non-traditional forest products in the state and to determine the domestic and international market potential for such products. This report details the findings of the research conducted by Mater Engineering for this project in the following product areas:

Cones	
Decorative Greenery	(bittersweet, cattails, tree tops, birch bark, boughs)
Dried Florals and Ornamentals	
Herbs and Medicinals	
Decorative Woods	(diamond willow, burls)
Smokewoods/Flavorwoods	

Special forest products have not previously received the attention given to wood products due to the fragmented nature of the industry and the smaller dollar returns compared with timber and wood products. As more demands are made on the timber resource, the special forest products bounty from the Minnesota forests assume increased importance. Special forest products are a renewable resource whose economic value is more quickly realized than with timber. When foraged and processed with sensitivity to the environment, special forest products have the potential to enhance ecological forest management.

Minnesota forests offer some excellent special forest products market opportunities. The research for this project, in many cases, indicates an immediate unmet demand for many of these non-traditional products native to the state's forestlands. The project's findings also highlight an immediate opportunity for traditional and non-traditional forest product interests of the state to work together in developing resource management policies which

foster environmentally-sound, coordinated foraging practices that allow for the harvesting of a full range of marketable products which can be garnered from Minnesota's forests.

It should be noted that the scope of this project was focused on market identification for products from Minnesota forest lands. Funding limitations prevented a broadened scope which would include an on-site evaluation of commercially acceptable resource (product) availability, and a determination of the best foraging methods recommended for producing environmentally-sound product harvest plans. As the State of Minnesota progresses further in expanding economic development opportunities in the harvesting of special forest products, understanding the important environmental balance of all resources growing in the forest will be critical.

This report is organized as follows:

Report Overview
Research Methods Used
Product Research Findings
Policy Recommendations Based on Research Results

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for the Minnesota Department of
Natural Resources - Forestry
Division

Report Overview

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PRODUCT AREA	PRODUCTS	# OF INTERVIEWS	STATES REPRESENTED	BEST PRODUCT POTENTIAL	STRATEGY
Dried/Preserved Florals	Artemisia White Yarrow Pearly Everlasting Liatris Tansy Babys Breath Penny Cress Berried Branches Sumac Willow Curly Dock Cattail Lycopodium	>30	19	Artemisia Yarrow Liatris Berried Branches Willow Curly Dock Lycopodium Ferns Sumac*	• Agro-forestry Options • Logging/Foraging Coordination • Expansion of Product Cooperatives - Marketing/research - Processing - Q.C. for field work - Raw materials storage • Value-Added Development (preserving techniques)

* Potential for market development

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PRODUCT AREA	PRODUCTS	# OF INTERVIEWS	STATES REPRESENTED	BEST PRODUCT POTENTIAL	STRATEGY
Herbs and Medicinals	Burdock Root Elder Flowers Motherwort Herb Mullein Herb Plantain Leaf Violet Leaf Yellow Dock Root Blue Cohosh Blood Root Golden Seal Root May Apple Root Wild Ginger Root Wild Ginseng Root Wild Cherry Bark White Oak Bark White Poplar Bark White Willow Bark	>25	12 states 3 countries	Golden Seal Root Ginseng Root Burdock Root Yellow Dock Plantain* Blue Cohosh May Apple Cherry Bark Oak Bark Willow Bark	• Logging/Foraging Coordination • Agro-Forestry • Value-Added Processing (Extracts) • Bark Recovery
Decorative Greenery	Tree Tops: Birch Aspen	>50	19	Excellent for Birch	• Logging Coordination • Cooperative Development - Marketing/research - Processing - Cross-shipping - Raw materials storage - PR campaign

* Potential for market development

PRODUCT AREA	PRODUCTS	# OF INTERVIEWS	STATES REPRESENTED	BEST PRODUCT POTENTIAL	STRATEGY
Decorative Greenery (continued)	Evergreens: Boughs	>50	19	Excellent for Balsam Fir	• Improved public-private Communication • Increased marketing assistance for MN Wreath Association • Uniform foraging fee schedule and increase formula
	Branches/Twigs: Birch Willow Red Oshier	>50	19	Birch Willow	Integrate "Tree Top" Strategy
	Bark	>50	19	Good for "niche" markets; will require unique product distribution, packaging, etc.	Specialty Product Programs

* Potential for market development

PRODUCT AREA	PRODUCTS	# OF INTERVIEWS	STATES REPRESENTED	BEST PRODUCT POTENTIAL	STRATEGY
Cones	Balsam Fir Tamarack White Spruce Scotch Pine	>30	19	Tamarack White Spruce Scotch Pine	• Development of Suppliers Network • Can also follow "Cooperative" Strategy
Decorative Wood Coordina	Diamond Willow Burls	>30	20	Diamond Willow* Burls (Export)	• Logging/Foraging • Market Development Assistance • Implementation of MN Decorative Wood Products Cooperative - Marketing
Smokewoods/ Flavorwoods	22 wood species including: Hickory Cherry Oak Nut Woods	>20	20	None- Sales growing but raw materials plentiful for this industry	

* Potential for market development

Research/Investigative Methods Used

For all product lines, intensive literature searches were conducted for product specific markets and market trends information. Numerous trade associations throughout the U.S. were contacted and multiple trade journals were researched for important historical and current market information and data on future market trends. Academicians, primarily at the University of Minnesota were interviewed regarding the products with general background information being supplied. However, as we suspected at the onset of this project, clearly the most important and critical information for each of the product areas came from conducting ***direct interviews*** with the harvesters, processors, brokers, and wholesalers throughout the U.S. of each of the product areas.

For the product categories of **Cones, Decorative Greenery, and Dried Florals**, Mater Engineering conducted over 130 telephone interviews throughout the U.S. including: over 30 interviews each conducted for cones and dried florals; over 50 interviews conducted for decorative greenery. Individuals/companies selected for interview were based on products handled, the perception of being a "player" in the product area, participation in the showing of products handled at national and international product shows (such as Silk '92 etc.), and geographic location in the U.S. Locations of interviewees included the states of Alabama, California, Colorado, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Oregon, South Carolina, Tennessee, Texas, Utah, Virginia, and Wisconsin.

For the **Herbs and Medicinals** products, over 50 producers, brokers, and wholesalers were interviewed throughout the U.S. As with the cones, decorative greenery, and dried florals, interviewees were determined based on the same basic industry position criteria. Geographic locations represented in the interviews included the states of California, Georgia, Indiana, Iowa, Michigan, Minnesota, New York, North Carolina, Oregon, Texas, Utah, Virginia, and British Columbia, Germany, and Switzerland.

Over 30 interviews of businesses, material suppliers, and retailers were conducted for the **Decorative Woods** research for this project. And over 20 interviews were conducted with key manufacturers and users of **Smokewoods** and **Flavorwoods**. Interviews covered almost 20 states across the U.S. including Arizona, Arkansas, California, Georgia, Illinois, Indiana, Massachusetts, Minnesota, Missouri, North Carolina, Oregon, Rhode Island, South Carolina, Tennessee, Texas, and Wisconsin.