

NEWS

PRODUCER DECISIONS END WORK ON WOOD ENERGY CHECK-OFF

U.S. Endowment for Forestry and Communities, Greenville, SC

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The U.S. Endowment for Forestry and Communities (Endowment) announced today that efforts to develop a USDA Research and Promotion Program (a.k.a. “check-off”) for the U.S. biomass power and wood energy pellet producers has ended.

“After more than three years of work and \$500,000 in investment the decision to terminate work to aid America’s wood-to-energy sector for a sustained research and promotion program is a huge disappointment,” said Endowment President and CEO Carlton Owen. “At the request of the industry, we’ve worked closely with representatives of three sub-sectors -- biomass power; domestic wood energy pellets; and export wood energy pellets – as convener and co-funder. Regrettably, a change of heart about timing and path forward by some of the largest producers made continuation impossible.”

The Endowment seeks to keep working forests as forests and advance family-wage jobs in forest-rich, rural communities in ways that ultimately support the North American forest industry. Since its creation the Endowment has taken the long-view and advocated sustainable pathways to enhance and grow benefits from forests. Whether to recognize water as a forest product of tremendous value or to retain traditional jobs in the lumber and paper sectors or to advance emerging sectors such as mass timbers or wood-to-energy, the Endowment promotes market-based means to advance its objectives.

Among its first efforts was a study of USDA Research and Promotion Programs to determine if they could benefit the forest sector as they have agricultural products. Known as check-offs, these programs allow producers of commodity products to assess themselves to create a funding pool to advance markets for their products. While much broader than advertising efforts, the familiar public face of some of the larger and older programs – “Beef: It’s What’s for Dinner!” and “Got Milk?”, promotions by the beef and milk industries, respectively – ensure that almost everyone is aware of check-offs.

“To date, a \$1.5 million Endowment investment in check-offs has helped establish programs that are generating in excess of \$40 million/year for the softwood lumber and paper & packaging industries to measurably grow their businesses.

The Softwood Lumber Board, created in 2011, generates more than \$15 million/year resulting in a return of nearly \$20 for each dollar invested, while the Paper & Paper-based Packaging Board, created in 2013, generates nearly \$25 million/year. Its initial impact assessment reported it had been responsible for 500,000 tons of added sales.

“We firmly believe the wood-to-energy business would have enjoyed similar benefits to those seen by other check-offs,” noted Owen. “It has been an honor to gain a deeper understanding of the importance of the sector to the health and productivity of America’s forests and forest-rich communities. We are especially appreciative of those who labored with us in trying to advance this important initiative.”

Similar Endowment work with the U.S. hardwood lumber and hardwood plywood sectors failed to gain enough support to advance to a vote.

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The **U.S. Endowment for Forestry and Communities** (the Endowment) is a not-for-profit public charity working collaboratively with partners in the public and private sectors to advance systemic, transformative, and sustainable change for the health and vitality of the nation’s working forests and forest-reliant communities – www.usendowment.org