



20
23

Annual Report

Prepared By:
Calforests Staff





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MESSAGE FROM OUR CHAIR

By Jeff Pudlicki

The first year of my two-year term as Board Chair has ended. It has been an honor to work with the professionals that constitute the Board of Directors, Calforests' staff, and the consultants we work with. The dedication of Board members and active involvement has been instrumental in steering the California Forestry Association (Calforests) towards success. Everyone has played a crucial role in shaping the achievements of our organization.

In the past year, Calforests has reached new heights thanks to our collaborative efforts. From the successful origination of our annual Forestry Strategies and Innovations (FSI) conference, to the strategic structuring of AB 338 prevailing wage bill introduced by Assembly Member Aguiar-Curry. Throughout the year Calforests has built on its reputation and relevance.

The past year was busy, working on sponsoring legislation and in support or opposition to other bills; helping to craft proposed regulations on our industry; and working with Federal entities in the realm of timber supply and fire suppression. Additionally, Calforests has assisted members with grant funding from State and Federal sources, thereby speeding up the process of reforestation after devastating wildfires.

While celebrating our successes, it is important to acknowledge the challenges that lie ahead. The volatility in log and lumber markets and the challenging political environment for industry advocacy pose significant hurdles. Other factors such as workforce stability, rural infrastructure, and soaring housing costs continue to impact the forest industry.

As Chair, I am pleased to report that our association is in excellent financial health. Financial stability and caution remain utmost goals for Calforests. We were able to increase our reserve funds, all while avoiding an increase in members' dues.

I would like to thank each member, the dedicated staff, and our invaluable partners. Your support has been the driving force behind Calforests' success.



PRESIDENT'S MESSAGE

By Matt Dias

I continue to be filled with pride and gratitude to address you as the President of Calforests. Our association, and its members, have not only continued to weather the challenges of the past many years, but have also persevered through wildfire recovery, workforce shortages, and a challenging legislative environment. Through this, our unified commitment to sustainable forestry practices, environmental stewardship, and supporting rural economies has not wavered.

The forestry industry plays a pivotal role in the well-being of our communities and the health of our state, nation and planet. As stewards of the land, we face various challenges, from changing climate patterns to economic uncertainties. However, it is during such challenging times that the strength of our association becomes evident. Together, we have embraced innovation, adopted new technologies, and found creative solutions to sustainably manage our forests while meeting the needs of society.

I want to commend each member of Calforests for their unwavering dedication to the principles that define our association. Your commitment to responsible forest and facility management, while working on building and maintaining community ensures the vitality of the forestry industry within the state. As we navigate the complexities of the modern world, your efforts are instrumental in securing a sustainable and prosperous future for both our industry and the forested ecosystems across the state.

With this said, I wanted to welcome and acknowledge a new voting member to the ranks of Calforests. Siller Brothers Incorporated, who owns and manages timberlands across Northern California is a new and valued voice of the association. Siller Brothers also offers timber harvesting services through helicopter operations using specialized airframes dedicated to agile and heavy lift workloads. The continued growth of Calforests allows the association to continue to increase its sector representation, and the addition of Siller Brothers Inc. certainly strengthens our collective efforts.

Looking ahead, let us continue to work collaboratively to address the evolving challenges before us. Calforests has always been viewed as a leading voice of the forest products sector, and I am confident that together, we will pave the way for a future where our forests flourish, our communities thrive, and our industry remains a model of excellence.

In closing, I extend my deepest gratitude to each member of Calforests for your dedication, hard work, and passion. It is an honor to serve as your President, and I am excited about the journey ahead. Together, let us continue to shape a future where the legacy of our forests endures for generations to come.



REGULATORY AFFAIRS

By George Gentry

Board of Forestry and Fire Protection

The Board of Forestry and Fire Protection (Board) passed several rules packages in 2023. One of these was “Tractor Operations and Cable Yarding Amendments”, which re-established the ability of the RPF to propose an exception that would allow for tractor operations in Cable Yarding areas on slopes greater than 50% where necessary. This was a very important clarification for operational flexibility. Another rule package passed was “Maximum Sustained Production Amendments” to specifically address fire protection and fire risk as factors affecting the production of timber products, which addresses a very contemporary issue.

Also passed by the Board was the “Coastal Commission Special Treatment Areas Silviculture Amendments”. This issue has limited impact to our members but was important in that regulations concerning timber harvests in Coastal Commission Special Treatment Areas do not account for the changing climate and fire hazard levels, advances in silviculture, and new regulatory pathways that limit the environmental impacts of timber management. This rulemaking made these rules more contemporary. Lastly, the Board adopted “Ford Definition Amendments”. The rule provides common vocabulary describing the crossing types that fall under the definition for “ford”, while still allowing flexibility in the type of ford utilized.

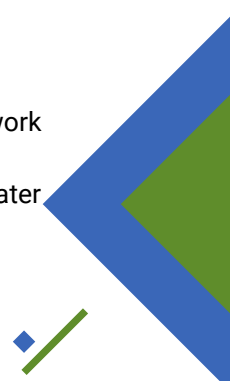
For the coming year, the Board will be adopting “Wet Areas, Meadows, and Restoration Activities”. This will replace the defined term “Wet Meadows and Other Wet Areas” with the new defined term “Wet Areas”, remove the defined term “Meadows and Wet Areas” and replace it with an undefined term for “meadows” and the new defined term “Wet Areas”, and to update the Aspen, Meadows, and Wet Areas Restoration Special Prescription to allow for restoration of the historical extent of meadows and wet areas. There was confusion among these terms, and after great effort, a much more logical context was derived.

Member Assistance

Staff provided assistance on numerous requests from members regarding regulatory issues, providing background information, guidance, and working as a liaison with regulatory agencies. This process is very useful to the staff, as it keeps them informed of potential deviations from previous forest practice procedures. In addition, staff facilitated and provided support for an important study on the impact of wildfires called “Long-Term Economic Impacts of Large Fires in California from 2018-2021: Losses and Opportunities” that provides very useful data when discussing state policy.

California Forest Management Task Force

Staff were engaged with the Task Force and played a major part in shaping the recommendations for the final work plan. Included objectives are the development of guidance for plan preparers and reviewers and “Permit Synchronization,” which will align permitting under the Forest Practice Act and Forest Practice Rules with the Water Board and CDFW permitting and regulatory requirements, including waste discharge requirements and lake and streambed alteration permit issuance timelines. The coming year will see this initiative carefully investigated.



FEDERAL AFFAIRS

By Steve Brink

Forest Service, California Region (R5), Wood Supply

Region 5's fiscal year (FY) 2023 timber target was 485 million board feet (mmbf). The Region sold 444 mmbf. Unfortunately for California, mill infrastructure partially dependent on national forest wood supply, the FY2023 sawlog sold was only 46% (203 mmbf) of the total sold. This is in contrast to the past 12 years of annual federal timber sold in California, where 70-85% of merchandised fiber was in the form of sawlogs. Calforests has discussed this in depth with the Regional Office and continue to point out the attainment should be in the 70-85% range of the sawlog component. There appears to be concurrence from Region 5 on this issue.

The Forest Service National Office has announced "preliminary" FY 2024 targets for Region 5 of 395 mmbf. It's preliminary due to the fact that Forest Service funding is under a continuing resolution until Feb. 2. Region 5 will not have a final FY2024 budget until March, 2024, which is half way through the Fiscal Year. To date, Infrastructure Act and Inflation Reduction Act funding for 2024 also has not been released.

Department of Agriculture Secretary Selects Five Additional Large Landscape Projects in Region 5 Funded by the Infrastructure Act and Inflation Reduction Act

The five large new landscape projects are:

- Klamath Basin – 10 million acres; \$35.4 million
- Trinity – 910,000 acres; \$15.9 million
- Plumas Communities – 285,000 acres; \$273.9 million
- Sierra Crest & Elko Front (Toiyabe National Forest) – 3.4 million acres; \$57.4 million
- Southern California - 4 million acres; \$10 million


Funding for these five large new landscape projects must be obligated by September 30, 2026, except the Klamath Basin project has until September 30, 2031.

Emergency Alternative Arrangements (36 CFR 220.4) and other Emergency Actions

On July 15, 2023, Forest Service Chief Randy Moore issued direction to the regions that it was his expectation that the full array of emergency authorities will be used as the default way of conducting business in the 250 high-risk fire sheds for implementation of the Wildfire Crisis Strategy.

Federal Forest Resource Coalition (FFRC)

The Forest Service forecasts that the eventual final national FY2024 Forest Service Appropriations will be about the same as Fiscal Year 2023 and expect timber targets will, therefore, also be about the same as FY 2023.



We are currently discussing with the Forest Service how the targets associated with the Large Landscape projects will be clearly depicted within the Region 5 timber target. It appears that the 190 mmbf sawlog production announced November 5, 2023 for the FY2024 from Large Landscape Projects in California are included in the Region 5 “preliminary” 395 mmbf timber target. Again, the “preliminary” announcement of 395 mmbf Region 5 target was announced October 31, 2023. Given the disparity in timing, it does not appear that the Forest Service national office had the Large Landscape fiber production available upon announcement of the “preliminary” target.

Endangered Species Act (federal U.S. Fish and Wildlife Service (FWS) updates for California

- February 23, 2023, FWS proposed listing the Sierra Nevada California Spotted Owl distinct population segment (DPS) as threatened with an ESA section 4(d) rule that exempts certain forest fuels management activities that reduce the risk of large-scale high-severity wildfire from ESA section 9’s take prohibition. AFRC and a coalition filed comments on April 19, 2023.
- July 3, 2023 – FWS released a final rule allowing for the introduction of experimental populations of threatened or endangered species into habitat outside their historic range
- August 28, 2023 – FWS’ final rule established endangered status for the Foothill Yellow-Legged Frog for the South Sierra and South Coast DPS and threatened the status for the North Feather and Central Coast DPSs. FWS concluded designation of critical habitat is not determinable at this time.

Recent Forest Service Region 5 Personnel Changes

- Diana Craig, was appointed Acting Deputy Regional Forester-Natural Resources; Rick Hopson, was appointed Acting Region 5 Ecosystem Staff Director; Emily Moghaddas, formerly with the Plumas National Forest Deputy Forest Supervisor is the new Regional Recovery Coordinator within State & Private Forestry; Rachel Smith, Forest Supervisor, formerly the Forest Supervisor with the Klamath National Forest now is with the Pacific Southwest Research Station in Riverside, CA; Teresa Benson, with Sequoia National Forest, Forest Supervisor, has announced her retirement as of January 1, 2024. The newly appointed Forest Supervisor is Anthony Edwards; Kevin Roehrs, former Region 5 Regional Appraiser, is now the Region 5 Regional Timber Group Leader.

Fire Suppression and Fuels Reduction Data Collection in California

November 13, 2023, Calforests met with Cal Fire and the Forest Service to discuss continuing items that we believe could lead to more efficiency and effectiveness. The focus of these ongoing discussions has been on the subjects of private hire for suppression activities, revisions of Direct Protection Areas, C -130H transfer to Cal Fire, and pending Bargaining Unit 8 negotiations for a 66- hour work week.

Equipment Inspections - There does not appear to be any movement to streamline or melding of federal and state agencies’ processes for heavy equipment inspection to date.

In October 2022, Calforests proposed seven Direct Protection Area (DPA) Changes to both Region 5 and Cal Fire for consideration during CFMA revision and review. The proposals are undergoing review by the two agencies.

Transfer of C-130’s from Military to Cal Fire - Progress was made on this issue with the help of Congress getting the aircraft immediately transferred to Cal Fire through execution of the National Defense Authorization Act. Future efforts will be focused on assuring that funding is secured to launch these airframes into the Cal Fire fleet as soon as possible.

Cal Fire 66-hour work week - This will cause a substantial increase in the number of Cal Fire hand crews and hand crew training classes. Calforests will continue to track budget augmentations and Budget Change Proposals that will result in adding hundreds of employees to Cal Fire to cover the impact of this agreement.

LEGISLATION AND BUDGET

By Rostrum

The 2023 Legislative Session began with the swearing in of the large contingent of freshman legislators, including eight new members of the State Senate and 24 new members of the State Assembly. While these new legislators settled into their new jobs, they were confronted with a challenge not seen in many years – the reemergence of state budget deficits. After several years of significant surpluses that peaked at nearly \$100 billion, the Governor’s May Revise projected a deficit of over \$30 billion, which was ultimately addressed through an approved budget that relied heavily on borrowing, fund shifts, and delays rather than spending reductions. Calforests worked closely with industry allies; legislators; and the Administration to minimize the impact on wildfire prevention and forest resiliency programs.

2023 also marked the end of remote work policies with both the Assembly and Senate requiring staff to return to in person work full time for the first time since early 2020. The combination of new legislators and more accessible staff gave Calforests the opportunity to advocate more directly with policymakers and to better shape legislative outcomes. While Calforests engaged on several non-industry specific pieces of legislation in 2023, it was a relatively quiet year for legislation directly related to forestry and wildfire prevention.

AB 297 (Fong) Wildfires – Local Assistance Grants – Advance Payments

This straightforward legislation ensures that recipients for local assistance grants from CALFIRE can move quickly to obtain the equipment necessary to complete wildfire prevention projects by permanently extending the department’s authority to provide advance payments for such purchases. The legislation also adds prescribed grazing to the list of projects eligible for local assistance grants and advanced payments.

AB 338 (Aguiar-Curry): Public Works – Fuel Reduction Work.

Originally introduced as an identical version of her AB 1717 which was vetoed by the Governor, AB 338 would have classified fuel reduction projects funded entirely or partially with public funds as public works projects subject to prevailing wage and other associated requirements. The bill was narrowed to require, with specified exemptions, the payment of prevailing wage on such projects costing more than \$500,000. Although the legislation will drive up the cost of projects undertaken by local governments and non-profits, Calforests worked to minimize the impact on members by securing an exemption for work done on private land.

AB 566 (Pellerin): Department of Parks and Recreation – Land Acquisition

A well-intended, but problematic piece of legislation, AB 566 would have circumvented the Public Works Board process and required Big Basin, Ano Nuevo, and Butano State Parks to take possession of land acquired by and transferred from nonprofits or other entities. Originally limited to parks in the Santa Cruz Mountain region the bill was later amended to cover all state parks. Calforests worked to educate the author’s office and other stakeholders on the unintended consequences of the legislation which was ultimately held in the Assembly Appropriations Committee.

SB 224 (Hurtado) Foreign Ownership – Agricultural Lands

Another reintroduction of previously vetoed legislation, SB 224 would have prohibited foreign governments from holding any ownership stake in agricultural land – including timberland. Calforests worked with a coalition of agricultural interests to have the bill held in the Senate.

Budget

As previously noted, the 2023-24 budget had to account for a projected deficit of over \$30 billion. Crafting solutions to close the deficit was complicated by the decision by both the state and federal government to push back the April tax filing deadline for those residing in counties impacted by winter storms (55/58 counties). After repeated extensions the vast majority of Californians was not required to file until November meaning the Governor and lawmakers had to approve the final budget without knowing final tax receipts.

Although numerous budget allocations previously approved for the Governor and Legislature's climate priorities were delayed or deferred, the 2023-24 budget bill maintained most of the 2-year \$1.2 billion Wildfire and Forest Resiliency package approved in 2022 with approximately \$61 million in cuts to funding for the stewardship of state-owned land, the climate catalyst fund, and workforce training. No cuts were made to funding for forest health and fire prevention grants or post fire reforestation grant programs.

Political Action Committee

The Calforests Political Action Committee (PAC) exists to support the campaigns of candidates for the State Legislature. During 2023, the PAC contributed nearly \$42,000 to 24 candidates. Our approach is to host small events with individual legislators to develop working relationships. This strategy, focused on intimate meetings with legislators and legislative candidates, has served Calforests well for many years, and will continue to be our strategy in the future.



COMMUNICATIONS

By Mozaic Media & Communications

Members Only Photo Contest

As part of a broader social media and member engagement effort, Mozaic worked with Calforests staff to establish the first annual Members Only Photo Contest. Mozaic's work included developing content for the photo contest webpage and a social media strategy to promote the contest.

Social Media Impact

With an enhanced emphasis on digital communications, all three of Calforests' social media accounts grew significantly in 2023 - especially considering Mozaic formally began social media services in July, more than halfway through the year.

Overall all accounts have been growing either at a steady or fast rate. Instagram and LinkedIn are where the most engagement happened and followers increased, which indicates that those two platforms are really where the Calforests audience lives.

Looking at Twitter, it is interesting to note that, even with a significant boost in all metrics (particularly a 14,000 increase in impressions), the account hardly grew in followers. This tells us that the association's audience is not on Twitter nearly as much as it is on Instagram and LinkedIn.

Looking ahead, it may be a good idea to focus only on Instagram and LinkedIn to truly optimize efforts, content, and time.

FSI Launched


The Mozaic team also played a key role in developing the logo and branding for the Calforests' annual conference, now known as FSI. Mozaic's designers created the logo and theme for the conference, which formally launched in February of 2023.

CAL FIRE Workforce Development Grant

The Mozaic team initiated its work on this grant, in partnership with Calforests, by producing a logo for the grant effort and a key message document, which is still under review. Looking ahead to 2024, Mozaic anticipates this project will begin to pick up momentum in the first quarter of the year.

Op-Ed Support

Mozaic team members also provided support on the op-ed front, providing conceptual guidance, writing and editing service for a number of Calforests op-ed's.



2023 BOARD OF DIRECTORS AND ADVISORY COMMITTEES

Chair:

Jeff Pudlicki - March 2025
W.M Beaty & Associates, Inc.
Alternate: Ryan Hilburn

Vice Chair:

JDrew Crane - March 2025
Crane Mills

Secretary/Treasurer:

Janet McCrary Webb - 2025
Big Creek Lumber Company
Alternate: Dennis Webb

Past Chair:

Chris Chase - March 2025
Hearst Forests

Members:

Pete Jackson - March 2026
Green Diamond Resource Company
Alternate: Elicia Goldsworthy

Joe Burch - March 2025
Redwood Empire, Inc.
Alternate: Jesse Weaver

Paul Chapman - March 2024
Campbell Global
Alternate: Stephen Levesque

Kent Duysen - March 2024
Sierra Forest Products

Mark Emmerson - March 2024
Sierra Pacific Industries
Alternate: Andrea Howell

Scott Kelly - March 2024
The Conservation Fund

Galen Smith - March 2025
Collins Pine
Alternate: Eric O'Kelley

Bryan Taylor - March 2025
Trinity River Lumber Company
Alternate: Dee Sanders

Jeremy Wuerfel - March 2026
Timber Products Company
Alternate: Travis Salvestro

John Vona - March 2024
FWS
Alternate: Matt Zenick

Tiffany Roddy - March 2025
Roseburg Forest Products

Committee Chairs:

Communications Advisory: Rosalie Carnam
Legislative Affairs Advisory: Andrea Howell
Legal Affairs Advisory: Galen Schuler
Public Resources Advisory: Robert Hoover
Regulatory Affairs Advisory: Elicia Goldsworthy
Wildfire Advisory: Chris Chase

2023 CALFORESTS MEMBERS

Voting Members

- Anderson Logging, Inc.
- Big Creek Lumber Company
- Burney Forest Products
- Coastal Forestlands, Ltd.
- Collins Pine
- Corral Creek Timber
- Crane Mills
- FWS Forestry
- Green Diamond Resource Co.
- Gualala Redwoods, Inc.
- Hearst Forests
- Manulife Investment Management Forest Management Inc.
- North Fork Lumber
- Redtree Partners LP
- Redwood Empire, Inc.
- Redwood Timber Company, LLC
- Roseburg Forest Products
- Schmidbauer Lumber, Inc.
- Shasta Sustainable Resource
- Sierra Forest Products
- Sierra Pacific Industries
- Siller Brothers, Inc.
- The Campbell Global, LLC
- The Conservation Fund
- Timber Products Company
- Trinity River Lumber Company
- W.M. Beaty & Associates, Inc.
- Willits Redwood Company

Associate Members

- Acord Logging
- Anawalt Lumber Co
- Associated California Loggers
- Association of Consulting Foresters
- Bailey's, Inc.
- Bella Wildfire & Forestry, Inc.
- Ben Cohoon Logging
- Black Fox Timber Management Group
- Bordges Timber Inc.
- BurnBot, Inc.
- California Cascade Building Materials Inc
- California Women In Timber
- Cascade Resource Consultants LLC
- CLT Logging Inc
- Dan Arens & Son Inc.
- Del Logging Inc.
- Diversified Resources, Inc.
- Earth Foundries, Inc.
- Environmental Resource Solutions Inc
- Fontana Wood Preserving Inc.
- Franklin Logging Inc.
- FRST Corp.
- Fruit Growers Supply Company
- Ganahl Lumber Co.
- Integrated Forest Management
- Jefferson Resource Company Inc.
- Jim Armstrong Inc
- Jim Ostrowski Forestry
- Joe Thornton Logging LLC
- John Wheeler Logging GP
- JW Bamford Inc.
- Kansas Asphalt
- Key Knife Inc.
- Kingsborough Atlas Tree Surgery, Inc.
- Kodama Systems, Inc.
- Lawrence Camp & Associates
- Lite On The Land
- Loggers Association of No CA Inc.
- Mark Crawford Logging Inc.
- Neiman Enterprises
- New Forests Inc
- Northwest Log Scalers Inc.
- Parkinson Benson Potter
- Rain
- Richard Pland
- Robinson Enterprises Inc.
- Rossi Logging & Construction Inc
- Soper Company
- Special Projects CA, LLC
- Sullivan Logging Company Inc
- Tahoe Forest Products LLC
- TSS Consultants
- Tyrrell Resources
- Western Wood Preservers Institute

2023 FSI SPONSORS

American AgCredit
American Forest Foundation
Ascent Environmental
Auten Resource Consulting
Axiom Advisors
Best Best & Krieger
Cal Fire
Carter, Wetch & Associates
DroneSeed
EKI Environment and Water Inc
Fortress Fire Retardant Systems
Golden State Natural Resources
Law Office of Wayne M. Whitlock
Miraflores
Paul Hastings LLP
Perimeter Solutions
Perkins Coie, LLP
Personal Insurance Federation of CA
Peterson Timber
Pillsbury Winthrop Shaw Pittman LLP
Placer County Water Agency
Rostrum
Rural County Representatives of California
San Jose Water Company / Santa Clara County FSC
Sierra Cascade Logging Conference
Smith Currie & Hancock LLP
University of Montana

ABOUT US

The California Forestry Association (Calforests) is the preeminent trade association for the state's forestry sector. Our members are committed to ensuring California has an adequate and sustainable supply of affordable forest products, while maintaining and enhancing wildlife habitat, water resources, air quality and rural economies.

Calforests' member companies are widely recognized as leaders in contributing significantly to the vitality of California's economy and environment by providing forest products from well managed and sustainable timberlands.



"Managing our forests has never been more critical in California's history than right now. Whether its from an economic perspective or an environmental one, healthy forests are managed forests."

– Matt Dias, President/CEO, Calforests