

SC Forest Recovery Task Force Identifying Solutions for Tree Farmers and Wood Supply Chain

Status Report Provided to Governor McMaster

COLUMBIA — The Leadership of the Forestry Association of South Carolina and South Carolina Forestry Commission started meeting in May 2023 to assess impact to the state's \$23 Billion forest industry from the announced closures of the WestRock mill in North Charleston, the Pactiv Evergreen mill in Canton, NC, and Sonoco's conversion to using only recycled materials at its Hartsville mill. These mills consumed 12 percent of all wood processed in SC. In response, the South Carolina Forest Recovery Task Force was formed with longtime veterans and leaders in the Forest Industry to address the challenges affecting the wood supply chain. The task force continues to operate under a two-prong strategy. First, assist existing forest products manufacturers to operate at full capacity increasing their wood consumption. Second, examine new markets that will be a good fit for South Carolina.

Based upon forest industry expert analysis, the task force has learned:

- 1) Expansion of pulp/paper market is a long shot
- 2) Solid wood industry expansion is assured
- 3) New markets revolve around low carbon economy and SC needs to integrate and promote wood products as a solution
- 4) Remaining SC pulp and paper mills are well positioned

The Forest Recovery Task Force developed an outline of new market opportunities for South Carolina's landowners and wood supply chain:

- 1) **Energy** - supply pellets and wood chips for bioenergy globally. This requires a bulk shipping terminal at the State Ports due to the logistical costs of pellets. Also, the task force is advocating using woody biomass to generate electricity domestically.
- 2) **Transportation** - supply forest residue and wood mill waste to make biofuel and sustainable aviation fuel. With Boeing, military bases, and major airports located in or near South Carolina, sustainable aviation fuel has a bright future.
- 3) **Construction** - manufacture more building materials from wood including engineered wood products, lumber, and oriented strand board. The EU has enacted a "green steel" requirement going into effect in 2026. U.S. steel manufacturing must change to continue exporting to the EU. Biochar is a solution for the steel industry. It can be used as a substitute for fossil raw materials. Biochar is made from wood waste.
- 4) **Working forests** - the forest industry replants more trees than it harvests and provides an economic incentive for landowners to maintain and manage forests that provide many environmental and societal benefits such as clean air, clean water, wildlife habitat and flood control.

In 1913, former President Teddy Roosevelt wrote that "The Conservation movement was a direct outgrowth of the forest movement. It was nothing more than the application to our other natural resources of the principles which had been worked out in connection with the forests."

Forests are the cornerstone of conservation. There are 12.8 million acres of forestland in South Carolina, more than 11 million acres are privately owned. To keep forests as forests, landowners must have strong markets and a healthy wood supply chain. There are sustainable aviation fuel plants, pellet manufacturers, and biochar prospects actively looking at locating in South Carolina which is good news for forest landowners and the wood supply chain. In addition, state officials must provide a fair and reasonable regulatory, tax and legal environment to retain our existing forest industry.

Cam Crawford, President, Forestry Association of South Carolina and co-chair of the SC Forest Recovery Task Force. Crawford can be contacted at ccrawford@scforestry.org