



FOREST MADE

MICHIGAN FOREST PRODUCTS COUNCIL || 2012 ANNUAL REPORT



LOOK CLOSER AT MICHIGAN'S FORESTS.

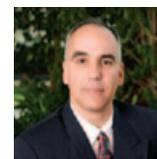


**SWEEPING VISTAS AND CRITICAL HABITAT. JOBS THAT HELP
OUR ECONOMY THRIVE. BOWLING PINS, EYEGASSES, SAILBOATS,
SYRUP. PRECIOUS RESOURCES AND VAST OPPORTUNITIES. THIS
IS WHAT WE PROTECT, THIS IS WHAT WE GROW.**



build

A FUTURE FOR OUR FORESTS



OUR WORK IS HERE among the trees. So are our homes, families, and the communities in which we live. But it's not just *our* quality of life that depends on the forest. At the nexus of agriculture and manufacturing, Michigan's

forests play a major role in the state's economy and, in turn, quality of life of its citizens. Michigan citizens use sustainable forest products every day, consuming 800 million cubic feet of wood products each year.

The Michigan Forest Products Council (MFPC) continues to lead the way in representing the state's entire forest products industry.

The future is bright. Going forward into a new era for manufacturing will focus attention on increasing success in four key areas: econo-

my, access, sustainability, and transformation. As we move into the future of our industry, the MFPC will continue supporting its members through a positive approach to problem solving and change, taking initiative, creative thinking, and solutions.

Our work is ongoing, but I am proud of the progress we have made in the past year and our continued success as a key component of this state's economy. As we move into the next year, I anticipate the progress and challenges yet to come.

MICHEL SUSSMAN

CHAIRMAN II Michigan Forest Products Council

DIRECTOR OF BUSINESS PROCESS ENGINEERING II Verso Paper





preserve

RESOURCES FOR THE FUTURE



91% of women agree that buying wood and paper products from a certified sustainable forest makes them feel like they are contributing to protecting the environment.

SUSTAINABLE FORESTRY INITIATIVE—MICHIGAN



THE SFI LABEL is among the leading certified-sustainable product labels and consumers are actively looking for eco-labels. Seventy-two percent of companies agree that eco-labels contribute to better purchasing decisions.

The Michigan Forest Products Council is committed to promoting sustainable forestry programs such as Sustainable Forestry Education (SFE) and Michigan's Sustainable Forestry Initiative.

This past year, Michigan SFI launched www.sfimi.org to increase local access to the advantages of the SFI program. This site is a resource for local program details, the mission of SFI as well as an index of resources. The site features a database of all trainees enrolled in the SFI training program that participants and their employers can use to track progress. In 2012, Michigan SFI trained over 1,000 loggers through over 40 courses year-round.

FOR MORE INFORMATION ON MICHIGAN SFI VISIT: www.sfimi.org

RESTORING KIRTLAND WARBLERS



THE KIRTLAND WARBLER is ranked as a globally, critically imperiled (G1) species and is a federally listed endangered species. Except for a location in Ontario, the only known breeding grounds are in 14 Michigan counties in the northern Lower and Upper Peninsulas.

MFPC member, Plum Creek, takes pride in protecting and enhancing habitat on its lands for this endangered species. In the spring of 2009, foresters planted about 150,000 jack pine seedlings on the Yellow Dog Plains, northwest of Marquette, creating more habitat for this valued songbird.

BETTER PRACTICES, BETTER MICHIGAN

IN 2012, the Michigan Pulp & Paper Environmental Council adopted the American Forest and Paper Association's (AF&PA) extensive set of quantifiable sustainability goals for a major U.S. manufacturing industry, with a commitment to transparently report progress in achieving these goals. MFPC is fully committed to this initiative called *Better Practices, Better Planet 2020: Continuing AF&PA's Commitment to Sustainability*.



INFORMATION ON THIS INITIATIVE CAN BE FOUND AT:
www.afandpa.org



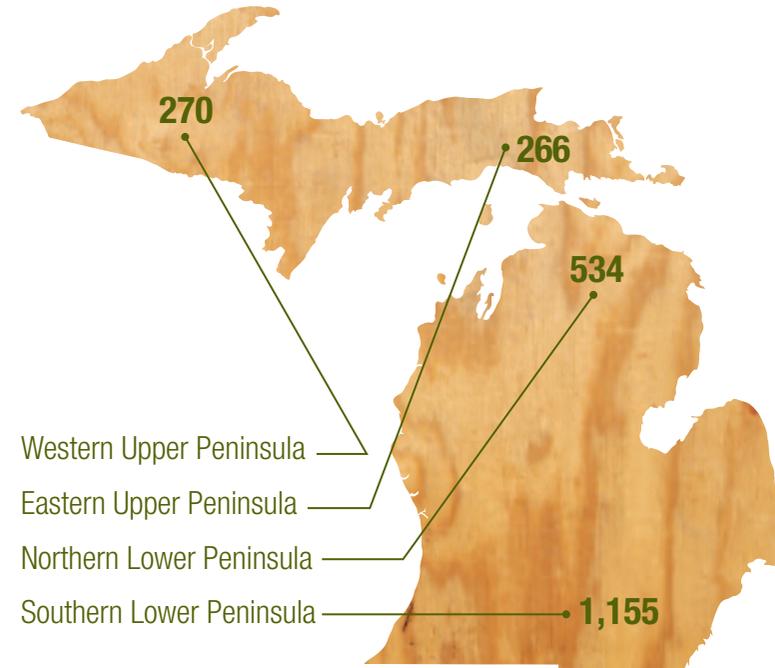
INDUSTRY BY THE NUMBERS

benefit

Each year Michigan citizens consume 800 million cubic feet of wood products, including:

- lumber
- utility poles
- pulp & paper
- firewood
- plywood
- furniture
- oriented strand board (OSB)
- log homes
- particleboard
- paneling
- shingles
- flooring
- cabinets
- fencing
- Christmas trees
- bridges

NUMBER OF FOREST PRODUCTS COMPANIES BY REGION

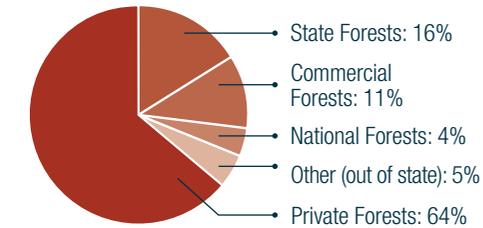


Michigan's forest products industry accounts for 10% of the state's manufacturing sector jobs, sustains 154,000 jobs and generates \$12 billion in annual revenue and \$1.3 billion in employee compensation.

Each year, the Michigan forest products industry harvests about 12 million tons of wood. Each ton of wood generates about \$100 worth of economic activity.

Michigan's forest products industry accounts for \$51 billion in direct and indirect annual economic impact.

NONINDUSTRIAL, PRIVATE FORESTS: LEADING SOURCE OF TIMBER SUPPLY



NUMBER OF EMPLOYEES AND COMPANY SIZE





U.S. Forests annually sequester the carbon equivalent to 15% of U.S. emissions from burning fossil fuels.

MICHIGAN INDUSTRY PRODUCTS: NUMBER OF COMPANIES PER MATERIAL CATEGORY





grow

SUSTAINABILITY REPORT

There are upwards of 20.2 million acres of forestland in Michigan.

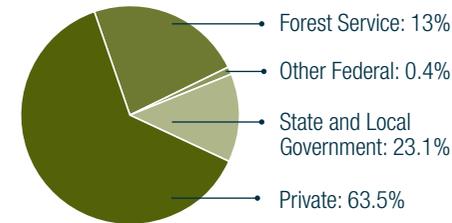
Forest management is carbon neutral. An acre of trees can remove about 13 tons of harmful gases from the atmosphere every year.

Gases released from fossil fuels and wildfires release carbon into the atmosphere. Healthy forests store carbon, and harvested areas are replanted.

Growing trees rapidly store carbon, meanwhile wood and paper products made from older trees and recycling help store carbon.

Michigan's forests are growing considerably faster than they are harvested. Each year, 2.7 more wood is grown than harvested, exponentially increasing Michigan's forest land.

FORESTLAND OWNERSHIP IN MICHIGAN



MFPC ACHIEVED many advocacy successes in 2012. TREE PAC reached its 2012 fundraising goal, thank you! As we enter a new legislative session, we are focusing on three strategic areas for industry growth.

1: WORKING FORESTS

- Support bio-diversity without mandated set asides (BSAs) that adversely impact forest health and productivity,
- Assist private forest landowners through robust Private Forestry and Commercial Forest Acts
- Protect water quality through best management practices (BMPs) and maintain silvicultural exemptions for forest roads and stream crossings,
- Provide for stable fiber supply, accountability metrics, and cost-effective chain of custody certification requirements.

2: BUSINESS COMPETITIVENESS

- Promote MFPC brand, member companies, and their products through Michigan's Forest Products Summit 2013 and Pure Michigan Campaign,
- Support financing incentives and tax reforms to encourage sector investment and job growth,
- Encourage multi-modal transportation policy.



3: SUSTAINABILITY

- Establish 2020 sustainability goals for recycling, work place safety, energy and sustainable forestry practices,
- Achieve air quality standards while minimizing costs of federal regulation,
- Ensure carbon neutral biomass policy and renewable energy opportunities.

FOR MORE INFORMATION on MFPC's policy committees or joining TREE PAC please visit: www.michiganforest.com

policy

POSITIVE ADVOCACY



Michigan's forest products industry accounts for \$51 billion in direct and indirect annual economic impact.

INVESTING IN THE FUTURE OF MICHIGAN'S FORESTS

MFPC seeks to return maximum value to its members. MFPC is on solid financial ground thanks to your support. MFPC maintains a small financial reserve, has minimal liabilities, and retains no long-term debt.

STATEMENT OF FINANCIAL ACTIVITIES

ASSETS		
Current Assests	\$	123,091
Investments	\$	321,393
Fixed Assets	\$	23,179
Other Current Assets	\$	3,159
TOTAL	\$	470,824
LIABILITIES & NET ASSETS		
Current Liabilities	\$	314,559
Other Liabilities	\$	25,806
Net Assets	\$	130,459
TOTAL	\$	470,822
2012 EXPENDITURES		
Operations	\$	50,200 10%
Advocacy	\$	257,215 51%
Strategic Communications	\$	53,888 11%
Foundation & Certification	\$	144,081 29%
TOTAL	\$	505,384 100%

value

FINANCIAL OPERATING HIGHLIGHTS



MISSION

The mission of the Michigan Forest Products Council is to provide a unified forest products industry voice in protecting and sustaining a globally competitive forest industry in Michigan.

VISION

We are a member-driven organization committed to environmental stewardship, better forest management, and sustainable long-term fiber supply.





MICHIGAN FOREST PRODUCTS COUNCIL

Protecting, promoting and sustaining Michigan's forest economy

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