

STAFF REPORT

Agenda Item No.:	J
Work Plan:	State Forests Work Plan
Topic:	State Forests Management
Presentation Title:	State Forests Harvest Accomplishments
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CONTEXT

State Forest lands are managed for the Greatest Permanent Value (GPV) to the people of Oregon (ORS 530.050). The Board of Forestry has further defined Greatest Permanent Value to mean “healthy, productive, and sustainable forest ecosystems that over time and across the landscape provide a full range of social, economic, and environmental benefits to the people of Oregon” (OAR 629-035-0020(1)), and specifically lists, among other benefits, “sustainable and predictable production of forest products that generate revenues for the benefit of the state, counties, and local taxing districts” (OAR 629-035-0020(1)(a)) as one of the benefits from managing for GPV.

To ensure State Forest lands are managed in a sustainable and predictable manner, the State Forests Division implements a robust inventory and modeling system to determine the Annual Harvest Objective (AHO) for each management district. Each fiscal year (FY), Division planning staff develop Annual Operations Plans that contain activities for the upcoming FY that include a list of timber sale operations to auction to achieve Annual Harvest Objectives contained in Implementation Plans (IPs). Timber sales are typically auctioned with a three-year contract term, allowing purchasers some flexibility with respect to the timing of timber harvest and harvest-related project work (e.g., road construction and maintenance, landing construction). This also allows purchasers to time their timber harvest decisions in response to short-term market conditions. This flexibility results in higher bid prices, but does trade-off with some fluctuation in annual harvest patterns. Because these timber sales are sold on a recovery basis (i.e., ODF is paid for timber delivered to the mill), the flow of revenues can fluctuate based on choices purchasers make in harvest timing.

Certainty with respect to the amount of timber the State Forests Division is planning to sell, along with forecasts for the estimated revenues associated with the timber sale program is of great importance to the counties, timber industry, and the state. State Forests Division staff closely monitor timber sale progress, ensuring sold timber sales are on schedule to be completed before contract expiration, tracking timber deliveries to mills, and ensuring merchantable timber is utilized to meet contract specifications. Staff also create quarterly revenue forecasts for the Department and counties to aid in budget

planning efforts, although these forecasts are also subject to changes in expected harvest timing by purchasers.

BACKGROUND

The State Forests Division has faced recent criticism that the Division is failing to achieve stated timber harvest objectives. The Division is committed to good governance in managing Oregon's state forest lands, and accountability in establishing goals and achieving those outcomes is a critical governance component.

Current efforts to provide transparent information with respect to timber harvest objectives include annual reports to the Council for Forest Trust Land Counties and State Land Board, operations accomplishments reporting to the State Forests Advisory Committee, and a Legislative Key Performance Measure.

ODF has historically reported harvest volumes and revenue in the Council for Forest Trust Land Counties and the Common School Forest Land Annual Reports (Attachments 1 and 2), which show the previous fiscal year harvest volume and value as well as historical averages; however, those metrics are not tied to the specific AOP from which they came. The difference shown in these reports between the volume sold and the volume harvested in any given fiscal year is due to the harvest timing decisions described above. The multi-year contract term, reporting structure, and recently revised IPs (and their Annual Harvest Objectives) have resulted in a perception, in some cases, that harvest objectives were not being met.

Table 1 shows the total timber volume (in million board feet; MMBF) initially planned and then prepared and appraised for auction for each AOP fiscal year between 2015 and 2025, along with the total for that period. The Division seeks to offer volume in individual AOPs that fulfill the Annual Harvest Objective detailed in the District's IP, over the timeframe of the IP. This results in some year-to-year fluctuations around the AHO, but still meets the overall average AHO. District AOPs identify the fiscal year quarter that a timber sale contract is planned to be submitted to Salem, with the intent of auctioning it in the following quarter. Additionally, the final harvested volume (not shown in Table 1) is typically greater than the planned and prepared volume, due to a number of factors, including continued growth of trees during the three-year contract period, actual log lengths and diameters bucked from trees, and defect (or lack thereof) found in logs.

Note that for all of the Tables presented, volume from salvage or other small-scale activities is not included (unless it was part of an Approved AOP), and volume from Klamath-Lake District is not included, as it has an acreage, not volume, objective.

Table 1. Comparison of planned timber sale volume and volume auctioned for AOP fiscal years 2015 to 2025.

AOP Year*	AOP Planned Volume (MMBF)	Auctioned Volume (MMBF)
2015	224.8	226.3
2016	227.9	229.1
2017	223.0	230.2
2018	239.2	269.5
2019	237.7	225.3
2020	236.0	241.2
2021	253.2	239.2
2022	219.3	218.6
2023	222.8	222.4
2024	189.7	192.3
2025	188.0	190.2
Total	2,461.5	2,484.4

*Volume for the Coos Unit is only included from 2017 to 2025, after the change in the management status of the Elliott State Forest.

Table 2 shows the multi-year effect for fiscal year 2025. The total volume harvested in fiscal year 2025 was 187.6 MMBF. Notably, a very small portion of the harvested volume (4.9 MMBF or 2.6%) came from AOP 2025 sales. Although the preparation and auctioning of fiscal year 2025 sales is somewhat behind schedule due to staff drawdowns during the 2024 fire season, the general pattern of harvest coming from previous fiscal years' Annual Operations Plans and auctioning sales in the first quarter of the following fiscal year is typical.

Table 2. Fiscal year 2025 timber volume harvested by source Annual Operations Plan.

AOP Year	FY25 Harvest (MMBF)
2021	4.0
2022	48.0
2023	71.0
2024	59.7
2025	4.9
Total	187.6

Table 3 shows, for past two AOP fiscal years (2024 and 2025), the volume objective, the volume planned to be auctioned, the actual volume sold (or soon to be auctioned), and the volume delivered to the mills. For both years, the Annual Harvest Objective is 165-183 MMBF. Planning staff prepared operations plans that would result in an estimated 189.7 and 188 MMBF for 24 and 25 respectively. The sold volume for FY24 was 192.3 MMBF, with 64.8 MMBF of that volume delivered to date. The volume sold for FY25 was 190.2 MMBF, with 4.9 MMBF of that volume delivered to date.

Table 3. Annual Operations Plans accomplishments (MMBF).

AOP Year	Annual Harvest Volume Objective	Planned Volume	Prepared for Auction/Sold Volume	Delivered Volume to date
2024	165-183	189.7	192.3	64.8
2025	165-183	188	190.2	4.9

At any given time, there may be timber volume under contract (i.e., timber sold but not delivered) from the past three to four Annual Operations Plans. Table 4 shows the remaining amounts for AOP fiscal years 2021 to 2025. All sold volume from the 2021 Annual Operations Plans has been delivered, and only small volumes remain for the 2022 and 2023 Annual Operations Plans. Approximately 238 MMBF remains for the 2024 and 2025 Annual Operations Plans, and this volume will be delivered over the next two to three years. Volumes delivered or under contract in Tables 3 and 4 are current as of 7/1/25.

Table 4. Timber volume under contract by AOP.

AOP Year	Volume Under Contract (MMBF)
2021	Completed
2022	11.6
2023	39.0
2024	127.2
2025	110.8*
Total	288.5

*Approximately 74.5 MMBF remaining to be auctioned in FY26.

RECOMMENDATION

Information only.

NEXT STEPS

The State Forests Division will continue to provide regular accomplishment and status reporting of the Annual Operations Plans to the Board of Forestry. Future reports will take the same form as what is presented above, unless the Board requests changes. In addition, the Division will work with the Council of Forest Trust Land Counties to incorporate similar tracking by Annual Operations Plans into their report.

ATTACHMENTS

1. [Council of Forest Trust Land Counties Annual Report Fiscal Year 2024](#)
2. [Common School Forest Land Annual Report Fiscal Year 2024](#)