

Nursery Task Force Update

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Background

The Nursery Task Force was set up at the behest of the Southern Group of State Foresters in the late winter/spring of 2005. Its mission was to assess the condition of state nurseries across the South and to make recommendations to improve their viability. At the time, tree planting cost-share money was diminished; pulpwood prices were low; much of the Southeast had suffered from several dry years; and much of the marginal farm land had been planted during the Conservation Reserve Program. The net effect was that tree planting among non-industrial private landowners was out of favor. To make matters worse, state budgets across the South were universally tight. As a result of these factors, and possibly others, all of the state nursery programs in the South were suffering to one extent or another.

In some cases, it was purely a budgetary condition. State tax revenues were down and so were legislative appropriations. Some state agencies needed to slash their budgets in a hurry and were looking for programs to cut. Several wanted to increase nursery revenue to offset the lack of appropriations in other areas. In other states, the issue was more philosophical in nature. Seedling sales, unlike many government programs, are potentially profitable. To some, this sounds like a taxpayer-subsidized intrusion into the private sector and therefore is not the states' function. In many states, it was some sort of hazy combination of both. In any case, virtually every state was looking at their nursery program to either save money, save free enterprise, or both.

It was against this backdrop that the Southern Group of State Foresters decided to take a look at state-operated nurseries. The Task Force was to gather information and make a presentation to Southern Group at their meeting in June 2005 in Chattanooga, Tennessee.

The Nursery Task Force

The Task Force was selected, and the members are listed in table 1. Fred Allen, USDA Forest Service Liaison to the Southern Group of State Foresters, was assigned the responsibility of summarizing the Task Force findings and presenting them to the Southern Group. Specifically, the Task Force was to address the following four issues:

1. What is the forecasted production for all tree/plant species in each state?
2. Is there a mandate within each of the southern states to provide seedlings to the public? If so, how is that provision mandated?
3. Is it practical, possible, efficient, or recommended to group tree nurseries between states? Are there any barriers? Can states exchange seedlings?
4. What can be done to make tree nurseries, seed orchards, and tree improvement operations more efficient in meeting the South's seedling demand?

Background data for each of these issues was gathered in a survey distributed and compiled by the Chair. A series of individual telephone conversations ensued and culminated with a lengthy conference call among the members of the Task Force. The results and/or conclusions, as presented to the Southern Group of State Foresters, are summarized below.

What Is the Forecasted Production for All Tree/Plant Species in Each State?

The forecasting of seedling demand among non-industrial forest landowners is often no more than an educated guess. It is difficult enough for the major pine species. With respect to hardwoods or minor species, it is complicated by the availability

Table 1—Nursery Task Force members.

Name	Organization	Title
Ken Stewart	Georgia Forestry Commission	State Forester (Liaison)
Rick Hatten	Georgia Forestry Commission	Management Chief (Chair)
Darlene Slater	Mississippi Forestry Commission	Management Chief
Russ Pohl	Georgia Forestry Commission	Reforestation Chief
Dwight Stallard	Virginia Department of Forestry	State Nursery Manager
Greg Pate	North Carolina Division of Forestry	Tree Improvement Geneticist
George Hernández	USDA Forest Service, Region 8, State and Private	Regeneration Specialist
Jim Barnett	USDA Forest Service, Southern Research Station	Project Leader
Ray Moody	South Carolina Forestry Commission	Department Head, Nurseries and Seed Orchards
Scott Enebak	Auburn University, School of Forestry	Director, Auburn Nursery Management Cooperative
Harry Vanderveer	Texas Forest Service	Nursery Operations Manager
Tom Byram	Texas A & M University	Assistant Professor
Fred Allen	Southern Research Station	SGSF Support Team

of appropriate seed quantities and sources. The consensus of the task force was that, while precise predictions may not be possible, it is expected that demand for slash (*Pinus elliottii*) and loblolly pine (*P. taeda*) planting stock will be rising over the next 20 to 30 years. This was based primarily on the Southern Resource Assessment, which predicted that the acres of pine plantations would be rising steadily in the Southeast. Hardwood demand was also expected to increase based not only on recent trends, but also on increasing urbanization, increasing interest in wildlife and urban planting, and environmental efforts aimed at reclamation and restoration.

Is There a Mandate Within Each of the Southern States to Provide Seedlings to the Public?

The states that are either mandated and/or have the authority to provide planting stock are by far in the majority. According to the survey, only three Southern States, (Alabama, Mississippi, and Texas) are not empowered by statute to grow or provide seedlings. Interestingly, Alabama has already closed its nursery, and Mississippi continues to wrestle with the problem and is considering discontinuing their nursery operations.

Is It Practical, Possible, Efficient, or Recommended to Group Tree Nurseries Between States?

Most of the Southern states are not prohibited from exchanging seedlings with other states. Many have engaged in this type of bartering in the past. And, while it might be possible to grow seedlings for several states at a single nursery, the consensus of the Task Force was that it would not be effective. Seed source issues, seedling quality, integration of delivery systems, and limited numbers of refrigerated truck units and cooler space were among the barriers cited. Additionally, nurseries, seed orchards, and tree improvement programs often share the same resources. While there may be some economies of scale realized from the actual growing

of the trees at regional nurseries, the overall cost savings to agencies may be minimal since reductions in personnel and equipment may not be substantial. In any event, it was not recommended as a viable option.

What Can Be Done to Make Tree Nurseries, Seed Orchards and Tree Improvement Operations More Efficient in Meeting the South's Seedling Demand?

There were five action alternatives presented to the State Foresters:

1. **Make no attempt to keep state nurseries viable.** Because of interrelatedness, this alternative may lead to the elimination of seed orchards and production areas as well as the end to tree improvement programs. The ramifications may include: shortages, reduced seedling quality, increased price, seed source issues, and negative impacts on tree improvement and/or nursery co-operative memberships, and so on. With the uncertainty in the forest industry landscape, this option was found unacceptable.

2. **Maintain tree improvement programs and seed orchards, and contract seedling production.** In this alternative, only the seedling production would be contracted. Each state would still continue to take orders and distribute seedlings within their boundaries. This alternative had many of the same drawbacks as the regional nursery concept. It may push the price of seedlings up. There may be quality issues. Again, isolating nursery operations would very likely negatively impact seed production and tree improvement operations. Cost savings would be marginal.

3. **Contract all tree improvement, seed orchards, and nursery activities.** States would maintain facilities, but contract the operations. This would allow for resumption of activities should future situations change. Mississippi attempted this option. No organization bid on the opportunity to take on these activities. Under any permutation of this scenario, contractors willing to undertake tree improvement, seed orchard, and nursery operations may not exist. Cost savings may not be possible. Service and long-term viability issues made this option unacceptable in the view of the State Foresters.

4. **Raise seedling prices to increase revenue for state operations.** While this is always an option for any nursery or organization, an increase in price would likely reduce further the number of non-industrial private landowners interested in tree planting. Historically, initial establishment costs have been the driving force behind tree planting on non-industrial private land, and a significant increase in the cost of seedlings would almost certainly squeeze demand further.

5. This is the recommendation that was adopted by the Southern Group of State Foresters. Essentially they decided to **support each state's nursery, seed orchard, and tree improvement programs through the following activities:**

- a) Work more closely with industry and NGO allies;
- b) Increase awareness of these programs (public relations?);
- c) Strengthen internal support;
- d) Strengthen legislative support;
- e) Explore hardwood certification and universal breeding values for pine families;
- f) Develop a regional reforestation strategy; and
- g) Refocus Stewardship funds toward nursery, seed orchard, and tree improvement activities.

One Year Later _____

A year after the Southern Group of State Foresters met in Chattanooga, there is little direct evidence that the Nursery Task Force affected the continued viability of state nurseries. There has been a general increase, however, in the fortunes of state nurseries. In South Carolina, the Forestry Association, a group that had actively encouraged the closing of Taylor Nursery, has rescinded their letter of non-support and has now urged the State Forester to continue state nursery operations.

It seems that at least a few state foresters have become more supportive of nursery operations in the last year. Whether it is a result of the Task Force is uncertain, but it is a welcome sign. It usually means getting management and protection portions of the agency to promote tree planting and nursery sales, and, though that seems like a given, this kind of disjunct is not uncommon within organizations.

Garnering legislative support is always important, but it is frequently associated with both internal support from the

State Forester and/or the external support of non-governmental organizations. In Georgia, several legislators have visited the nursery and come away with positive impressions. It is far too early, however, to tell if this will translate to real support at the state capital.

The Management Chiefs of the Southern Group have included a section on nurseries and tree improvement in their Rural Forestry Assistance 5-Year Strategic Plan. This is the first time that any reference at all has been made to nurseries in the planning process. Of course, the implementation of this strategic plan is influenced by funding, political will, and legislative agendas, so its impact will not be felt for some time. Surprisingly, this represents progress, limited progress admittedly, but progress nonetheless.

A few of the states have reported some increased funding from grants and other sources. These funds may have their origins in the Stewardship program. Stewardship grants are distributed as block grants to the states. Recently, they have come with the recommendation to support nurseries, tree improvement, and seed orchards, but each state is under no obligation to do so. Some funding, however, has filtered down to the nurseries either directly or indirectly. The actual origin of these monies is clouded by hurricane relief funds, firefighting revenue, improved seedling sales, and other sources, but the net effect is that somewhat more money is available for nurseries. Add these positives to more favorable state revenues, and most states are reporting a slightly brighter condition this summer.

There are two glaring exceptions to this brighter outlook—Mississippi and Alabama. Alabama has suspended all nursery activities for the current fiscal year. The situation in Mississippi is precarious, at best. It is likely that the state of Mississippi will succumb to political pressure and discontinue its nursery program in the very near future. Curiously, this comes at a time when the future of plantation forestry appears to shifting from Georgia and the Carolinas westward toward these two states.

While the situation for state nursery programs across the Southeast is far from rosy, for most states it is not as bleak as it was only 1 year ago. Small, subtle encouragements may not seem like much, but in the “been down so long, it looks like up” world of state nurseries, that’s all there is.