



Governor Ivey and Alabama Forestry Commission Announce Timber Relief Fund Program

Coronavirus Relief Grants Available to Timber Owners Impacted by Reduced Harvesting Prices During March 2020 – July 2020

Alabama forest landowners who harvested timber March 2020 through July 2020 are eligible to receive up to \$10,000 in relief funds due to reduced stumpage fees paid during that time.

Governor Kay Ivey on Monday, August 31, awarded \$10 million of the Coronavirus Relief Fund for a state-wide program to assist Alabama timber owners impacted by the COVID-19 pandemic.

“The forestry industry has an economic impact of over \$23 billion in the state of Alabama and provides over 40,000 jobs in some of the most rural parts of our state,” Governor Ivey said. *“CARES Act funds are intended to stabilize our economic losses and help our state recover from COVID-19. This program is designed to reduce the burden of Alabama’s 23 million acres of timberland and the subsequent jobs that depend on a healthy timber industry.”*

This grant program will be administered through the Alabama Forestry Commission and will include grants of up to \$10,000 on a first-come, first-serve basis to qualifying timber owners who harvested timber in Alabama during the months of March through July.

“The Alabama Forestry Commission understands that forest landowners in the state have been negatively impacted by the coronavirus. These assistance payments will not make landowners whole, but they will help,” State Forester Rick Oates said. *“An even more important effect of this program will be that this money will not sit in people’s bank accounts. It will help landowners better care for the forest resources with which they are entrusted, and in doing so, will be reinvested in the economy and be spent several times. We are pleased that Governor Ivey chose to use CARES money to help Alabama forest landowners.”*

Eligibility Criteria

1. Applicant must be domiciled in Alabama.
2. Applicant may be an individual or business entity that owned the timber at the time of harvest. If a business entity, applicant must be a small business as defined by the Small Business Administration.
3. Applicant must certify that they have not received other federal or state funding for timber or timber related business losses due to the COVID-19 Pandemic.
4. Applicants who receive funding are capped at a maximum payment of \$10,000.00.
5. Applicant must demonstrate to the State of Alabama that timber was harvested during the March 2020 through July 2020 timeframe with scale tickets or other documentation that can verify timber sale volume.
6. Applicant will be required to sign an affidavit of timber harvest confirmation.

Assumptions:

1. Recent Alabama Department of Revenue data Indicates that approximately 10 million tons of wood are severed each quarter.
 2. Timber Mart South* Second Quarter 2020 data indicate that wood prices are down on average, across all product classes, about one dollar per ton during the first three months of COVID-19 impacts.
 3. Thus, the estimated potential loss to landowners is \$10 million for that quarter amounting to an estimated negative impact of \$3.3 million per month. So, for the proposed 5-month program eligibility timeframe the maximum loss is approximately \$17 million.
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4. Applicants will be paid \$1/ton for timber harvested during the March 2020 through July 2020 timeframe.
5. Approximately 56% (13 million acres) of the forest land in Alabama is owned by non-industrial private landowners (family forests). There is approximately 23 million acres of forestland in Alabama. This means the maximum payout would be approximately \$10,000,000.
6. For the capped payment amount, we assumed the average tonnage of wood harvested on an acre of pine plantation is 100 tons and also assumed an average harvest size of 100 acres, thus a maximum payment of \$10,000,00. This methodology to determine the payment caps will apply to any species mix harvested, whether It is softwood or hardwood. A minimum threshold for payments may be set at a later time.
7. This program is applicable state-wide for this time period.
8. The Alabama Forestry Commission will develop the process to verify and determine the amount of payments.

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