

# Policy and Procedure 11-1

## Utilization and Marketing Programs

**Issued By:** Robert W. Farrell, State Forester

**Effective Date:** August 01, 2018

**Codes/Mandates:** Code of Virginia: [§58.1-3](#) Secrecy of information; penalties.

**References:** <https://law.lis.virginia.gov/vacodepopularnames/forest-products-tax/>  
<http://dof.virginia.gov/forest/products/forest-products-tax.htm>  
<http://www.dof.virginia.gov/vagrown/index.htm>  
<http://www.vdacs.virginia.gov/vagrown/>

**Forms:** Form 11.1 Virginia Grown Forest Products Program Promotional Materials Order

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## PURPOSE

To provide guidance to agency employees about the agency’s role in utilization and marketing programs and promote understanding about specific utilization and marketing related programs and their implementation.

## POLICY

The Virginia Department of Forestry (VDof) will be the primary state agency to help industry, landowners and Commonwealth citizens with forest related utilization and marketing needs. The Utilization and Marketing (U&M) Program role is to assist VDof with maintaining healthy, sustainable, working forests by improving the utilization of and markets for those resources. With over 80 percent of the Commonwealth's forests belonging to private landowners, providing markets for their timber is critical to maintaining sustainable forests in Virginia. Without viable economic markets and other benefits, landowners may sell their forests or convert them to other uses.

The U&M program seeks to provide resource and economic information, utilization, marketing and other technical assistance to forest landowners, industry and other stakeholders to encourage healthy, productive, well-managed forest and a prosperous and competitive forest industry.

The program provides leadership by being the primary source of forest resource, economic, products and industry information in Virginia and coordinating U&M efforts with agency, association, educational, governmental and other partners and stakeholders throughout the state.

## DEFINITIONS

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“**Agency**” and “**VDOF**” means the Virginia Department of Forestry.

“**Commonwealth**” means the Commonwealth of Virginia.

“**FP Tax**” means Forest Products Tax

“**RT**” means Reforestation of Timberlands

“**TPO**” means Timber Products Output

“**U&M**” means Utilization and Marketing

“**TAX**” means Virginia Department of Taxation

“**VDACS**” means Virginia Department of Agriculture and Consumer Services

## PROCEDURES

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### Utilization and Marketing Program Overview

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- ◆ VDOF will provide forest resource, economic, marketing, product and industry information, educational programs and technical assistance, in cooperation with partners and other entities, to raise public awareness as to the benefits of forests and forest industry.
- ◆ VDOF will assist partners and stakeholders to improve forest utilization, expand forest markets and increase competitiveness of our forest industry.
- ◆ VDOF will be a primary source of forest industry and products information to assist other state agencies with industry development and marketing of Virginia’s forest products domestically and internationally.
- ◆ VDOF will provide technical advice and limited services to local government bodies regarding public tree management; development of local tree ordinances and regulations; general education and training for government employees, and other resource information.
- ◆ VDOF will provide a list of timber buyers to assist landowners with the marketing of their timber.
- ◆ VDOF will provide a database of service providers to assist community, interface and small forest landowners with technical and other assistance
- ◆ VDOF will maintain industry and forest products directory to assist with promotion of Virginia’s Forest Products.

The following programs covered under the U&M Program include:

- ◆ Virginia Forest Products Tax Program
- ◆ Virginia Grown Program
- ◆ Timber Products Output/Industry Databases

### Virginia Forest Products Tax Program

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The Virginia Forest Products Tax (FP Tax) is a tax initiated by the forest products industry to provide funds to assist with the protection and reforestation of timberland in Virginia. In most cases tax is paid by business at the first point of timber processing at a fixed location (non in-woods or portable mills or processors). Pine is taxed at a higher rate to help fund the

Reforestation of Timberlands (RT) program. The Virginia Department of Taxation (TAX) is responsible for collection of the tax and VDOF is responsible from the administration and distribution of taxes collected. As part of the program, tax information is shared between VDOF and TAX to monitor forest harvest volumes and values, forest product production and tax compliance; and to determine distribution of RT funds. Since some of the tax information is considered confidential special accommodations are needed to use and store this data.

## Area Field Staff Support

Area field staff are only indirectly involved in this program through administering RT projects and receiving and distributing general harvest volume and value information derived from tax collections. Field staff can assist program by providing any information they receive on changes in forest industry or wood utilization in their area.

## Reporting Time

Time directly related to the FP Tax program should be logged in IFRIS as follows:

- ◆ Time Category – Prof Services – Forest Markets
- ◆ Time Code – Forest Products Tax

## Forest Products Tax Administration

U&M staff maintains the VDOF FP Tax databases that include public and non-public information that has been received from TAX and other sources. Through a MOU with TAX, VDOF has agreed to protect the information from non-authorized use, by keeping information in secure folders on-line with limited availability. Only staff designated by the State Forester as needing access to the information and who have signed a non-disclosure agreement will be able to access the restricted folders. Periodic communication between VDOF and TAX is used to address any FP Tax administration, policy, compliance or educational issues.

Secured FP Tax information from TAX is sent to VDOF annually where it is processed and incorporated into secured master database. Public information is then developed on general harvest volumes and values, and tax collections by county are made available internally for RT administration and to public for various uses.

## Virginia Grown Program

Virginia Grown is a state marketing program to promote agriculture, forest and related products grown in Virginia. Most of the program is administered by Virginia Department of Agriculture and Consumer Services (VDACS) with VDOF administering the part related to forest products. The program supplies marketing information, materials and venues to companies selling Virginia Grown products. Companies interested in promoting their products can contact VDOF for assistance. Companies that meet the Virginia Grown criteria will have access to marketing resources at little or no cost.

## Area Field Staff Support

Area field staff are only involved in this program through general promotion of Virginia's forest resources or to refer interested businesses to U&M program staff. Area staff can assist with program by utilizing promotional materials and displays at targeted events.

## Reporting Time

Time directly related to the FP Tax program should be logged in IFRIS as follows:

- ◆ Time Category – Prof Services – Forest Markets
- ◆ Time Code – Virginia Grown Program

## Virginia Grown Program Administration

U&M Program staff will collect contact information and needs from interested business. Company fills out online order form and agrees to program conditions. Company is entered into Virginia Grown database and materials are sent once any payments are received. Any funds received will be placed in Virginia Grown account to replenish marketing materials.

## Timber Products Output/Industry Data

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The Timber Products Output (TPO) Survey program along with Industry Data Analysis is a cooperative effort between the United States Forest Service (USFS) and VDOF. The TPO Survey is a biannual event to collect information on primary forest industry in Virginia along with the products they use and produce. After review of list of primary forest industry by field staff, TPO surveys are sent to all known companies. U&M staff, with assistance from field staff, will make additional contact efforts with non-responding companies. Information collected is used to update state forest industry database and completed surveys are sent to USFS for analysis and use in state and regional reports. TPO Survey administration and information collection activities continue to change. This year, selected field staff will directly assist in collecting survey information to meet Southern Region's goal of contacting 100% of primary forest industries.

Some information collected on individual companies is considered confidential and is not for public distribution. U&M Program staff and field liaisons collecting information will not share individual information and access to surveys and databases will be limited.

The U&M Program maintains several forest industry related databases to provide information to landowners and other stake holders, as well as, to assist forest industry promoted and market their products. These include the primary and secondary forest industry/products, timber buyers, and service provider databases. Although the U&M staff is responsible for keeping information current and addressing inquires, input from field and other sources are important in this effort.

### Area Field Staff Support

Field Staff support is important for maintaining current forest industry information. As VDOF's eyes and ears the U&M program depends on field staff to provide information on activities and changes related to forest industry. In most cases this has been an informal process of passing on information as received or periodic review of information. To maintain more accurate and up to date information, field liaisons are being developed to better coordinate efforts and act as primary contacts for Regions. Some data (mainly TPO) collected is considered confidential and staff working with this information must agree to not publically distribute this information.

### Reporting Time

Time directly related to the Timber Products Output program should be logged in IFRIS as follows:

- ◆ Time Category – Prof Services – Forest Markets
- ◆ Time Code – Timber Products Output

Time related to other U&M Program activities should be logged into IFRIS as follows:

- ◆ Time Category – Prof Services – Forest Markets
- ◆ Time Code – All Other Forest Products

### Timber Products Output/Industry Data Administration

U&M Program staff will coordinate and administer the collection and distribution of industry information and maintaining of related databases. The U&M staff will coordinate with USFS and work with field liaisons to collect TPO survey information biannually and get it submitted in a timely manner. U&M Program staff will update databases with new information as it is received. U&M staff will work with liaisons to keep information in non-TPO databases current and accessible, unless considered confidential. U&M program staff will address inquires for industry related information and analysis and work with field staff where needed.

## AUTHORITY

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This policy and procedure is issued by the Virginia state forester.

## INTERPRETATION

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The Utilization and Marketing Program Manager and Deputy State Forester are responsible for the interpretation of this policy and procedure.

## APPROVAL

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I certify that this policy and procedure is approved and ready for publication.

Charlie Becker

Utilization and Marketing Program Manager Name (Print)

Utilization and Marketing Program Manager Signature

Ed Zimmer

Deputy State Forester Name (Print)

Deputy State Forester Signature