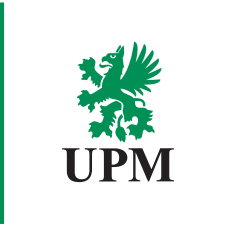




WE LEAD.  
WE LEARN.



## Minnesota, USA – major contributor to the local economy

Forestry in the United States accounts for around 6 percent of the world's forest area.

At 226 million hectares, the average per capita figure being 1.5 hectares, it represents the fourth largest forest estate in the world. Since the end of a period of heavy deforestation during the 1800s the forest cover has been stable for almost 100 years.

UPM operates in the state of Minnesota which has about 6 million hectares of forest classified as 'commercial timberland'. Aspen is the predominant cover type. Three different pine species, two spruce species, cedar, larch and fir represent the conifers. The most common hardwoods are birch, oak, maple, basswood, cottonwood and willow.

Forestry employs 55,000 people in Minnesota, has an economic impact of US\$7 billion and provides US\$2 billion in wages. In the United States forestry has strong linkage to tourism and outdoor recreation. Commercial forests are generally open to the public for hunting, fishing, berry picking, bird watching and hiking.



## Wood from sustainable and legal sources

The legal basis for sustainable forestry in Minnesota combines Federal law (ie. the Endangered Species Act), State law and the Minnesota Voluntary Site-Level Forest Management Guidelines published by the Minnesota Forest Resources Council. The US Departments of Interior (Fish & Wildlife Service) monitors compliance with Endangered Species Act.

UPM developed the Smart Forestry<sup>SM</sup> method of using plant communities and ecological principles as a basis for silviculture practices and maintaining biodiversity. The method is based on ecological classification with the aim of growing the optimum quality and value forest by promoting trees that grow best in each plant community type. UPM also applies a 'life cycle' concept, starting with initial establishment of young trees, survival checking, pre-commercial spacing, several commercial thinnings and regeneration harvests. Valuable habitats are identified and recorded as part of standard operational planning.

Forest certification is progressing rapidly in Minnesota. All UPM land is SFI certified and both SFI and FSC are being adopted by industry, the state and counties.

## UPM Forestry and Wood Sourcing in USA

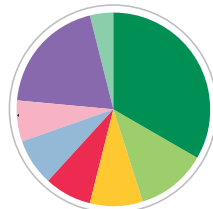
UPM Forest in the USA is responsible for supplying the Blandin paper mill with the timber it requires and for sustainable management of the forests owned by UPM in the USA. The unit is based at the mill in the town of Grand Rapids, Minnesota and employs 12 people. UPM owns and manages 79,000 hectares of forest land making it one of the largest private owners in Minnesota.

UPM buys 600,000 m<sup>3</sup> of wood per year from private, state and company owned land, of which 400,000 m<sup>3</sup> is supplied to the Blandin mill. A small proportion of the wood is imported from Canada. 95 per cent of the wood is transported by road and 5 per cent by rail. UPM uses a certified tracking system which identifies country, region and forest of origin for all deliveries.

Harvesting is carried out by independent logging contractors. The most commonly used harvesting method is clear-felling. The remainder is from seed tree, shelterwood, and commercial thinning. Approximately half of the wood is cut using cut-to-length Scandinavian harvesters.

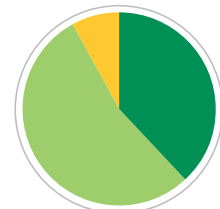


Tree Species



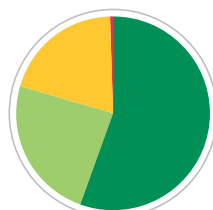
- Aspen 34%
- Northern hardwoods 12%
- Black spruce 9%
- Lowland hardwoods 8%
- Oak / hickory 8%
- Birch 7%
- Other conifers 20%
- Other broadleaves 4%

Forest Ownership



- Private 38%
- State 54%
- Companies 8%

Origin of wood



- State forests 55.5%
- Private forests 24%
- Company forests 20%
- Import 0.5%

Annual increment vs annual cut

