SUSTAINABLE FORESTRY ECONOMICS

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SUSTAINABILITY

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

--Our Common Future (Brundtland Report), 1987
Economics is the study of the choices made when people face constraints, when they must make trade-offs among things they value.
The benefits people obtain from ecosystems
IDaho’s forests

- 21.4 million acres of forest land

Data: LANDFIRE (1.2.0). 2010. Environmental site potential layer.
IDAHO’S FORESTS

- National Forest System Lands
  - 12 million acres of timberlands
- State Endowment Lands
  - 1 million acres of timberlands
- Private forest lands
  - 2.5 million acres of timberlands

Data: Forest Resources of the U.S., 2007 (U.S. Forest Service)
IDAHO’S FORESTS

- 37.2 billion cubic feet of timber

Forest inventory change, 1953-2007

Growing stock volume, billion cubic feet

- Other softwoods
- True firs
- Douglas-fir
- Engl. Spruce
- W. hemlock
- W. larch
- W. red cedar
- Lodgepole pine
- W. white pine
- Ponderosa pine

Data: Forest Resources of the U.S., 2007 (U.S. Forest Service)
ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

Idaho’s Forest Products Industry
Current Conditions and 2016 Forecast

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University of Idaho
College of Natural Resources
ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

Idaho Timber Harvest by Ownership, 1947-2015

Idaho’s 2015 timber harvest was about 1 billion board feet.

Sources: Bureau of Business and Economic Research, University of Montana; USDA Forest Service Region One, Missoula, Montana.
ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

• Manufactured forest products industry
  • 84 primary wood facilities
    • 44 sawmills
    • 2 plywood/veneer
    • 11 post and pole
    • 14 log home
    • 1 particle board/MDF
    • 8 cedar products
    • 2 bark products
    • 2 fuelwood and fuel products
  • 8 pulp & paper facilities (mills, conversion facilities)
  • ≈250 secondary facilities (engineered wood products, millwork, doors & windows, pallets, containers, specialty products)
  • ≈250 furniture & fixture facilities (furniture, cabinets & counter tops)
  • ≈65 wholesalers

About 90% of the Idaho’s timber harvest consists of sawlogs for manufacturing lumber or plywood.

Lumber & plywood make up about 40% of manufactured products.

Mill residues are used to make:
- pulp & paper products,
- some board products (e.g., MDF),
- steam for drying lumber, and
- electricity.

ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

- About 90% of the timber harvested in Idaho is made into products in Idaho.
- About 30% of the timber harvested in Idaho is made into products in the county in which it was harvested.

90% of Idaho’s primary wood products are exported out of state

ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

- Forest Products Industry 2015
  - Primary forest products
  - $2.1 billion in sales
  - Secondary forest products
  - $642 million in sales

Sources: Bureau of Business and Economic Research, University of Montana; Western Wood Products Association.

Millions of dollars (inflation adjusted, constant 2015 dollars)
ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

• Forest Products Industry 2015
  • $1.5 billion in indirect and induced impacts
    • Trucking
    • Wholesale and retail
    • Services
ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

- Forest Products Industry 2015
  - Jobs
    - 11,980 direct jobs
      - Forestry & logging: 24%
      - Wood products manuf.: 59%
      - Paper manufacturing: 17%
    - Supports additional 13,700 jobs in other sectors
    - Earnings = $678 million
    - Earnings/job/year
      - Forestry & logging: $53,769
      - Wood products manuf.: $45,543
      - Paper manufacturing: $75,853
      - (Idaho avg.: $44,797)

Sources: Bureau of Business and Economic Research, University of Montana; U.S. Forest Service, Region One Office, Missoula, Montana; U.S. Department of Commerce, Bureau of Economic Analysis, regional accounts data.
In 2013, the Forest Products Industry contributed about $1.4 billion to Idaho’s Gross State Product.

**ECONOMIC IMPORTANCE OF IDAHO’S FORESTS**

2013 Idaho Gross State Product = $62 billion

Contributions assigned using base accounting that credits to an exporting industry the value added of its backward-linked businesses.

ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

Forest Products Industry Contribution to Employment

- 3.5%
- 0.6%

Forest Products Industry Contribution to Gross Regional Product

- 4.7%
- 0.5%
ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

Forest Products Industry Contribution to Employment

Forest Products Industry Contribution to Gross Regional Product
The Forest Products Industry has been and remains a steady contributor to Idaho’s economy.
ECONOMIC IMPORTANCE OF IDAHO’S FORESTS

- Other forest products
  - Livestock forage
  - Fish and wildlife habitat
    - Hunting
    - Fishing
    - Wildlife Watching
  - Other outdoor recreation

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