Kentucky's forest and wood industry is a major economic engine that compares favorably with other agricultural commodities as well as with other industries in the Commonwealth overall. This executive summary covers the highlights of this important industry; a complete report will be available in the spring of 2014 at www.ukforestry.org.

2013 Economic Importance of Kentucky’s Forest and Wood Industry

$12.8 billion total economic impact with $7.9 billion in direct revenue
The $7.9 billion in direct impact is revenue while the $12.8 billion reflects an additional $4.9 billion in economic activity directly tied to the forest and wood industry. These values represent increases over 2012.

59,306 total jobs with 27,574 directly employed
This represents 2.5% of all employment in Kentucky.

Leading producer of hardwood sawlogs in the South
729 million board feet of logs and 1.267 million tons of pulpwood harvested in 2013.

Commodity Pricing
Delivered log prices rose as a whole over 11% in the first two quarters of 2013, with many important species such as yellow-poplar and red oak experiencing much needed increases. Other commodities such as railroad tie logs and pulpwood showed small increases in prices in 2013. In 2013, stave logs maintained their relatively high values of $875 per thousand board feet reached in 2012.

2014 Outlook
The outlook for 2014 is encouraging. Demand and prices should remain good for sawlogs including important species such as red and white oak. Housing starts indicate that yellow-poplar used for trim and cabinetry construction will also maintain value and demand in 2014. Tie and stave log demand should remain stable or improve in 2014. Pulpwood demand and prices in Kentucky should be stable in 2014 unlike paper converters that are predicted to lose revenues in 2014. The wet weather in 2013 has log inventories low in some regions resulting in a seller’s market moving into 2014. The logging sector continues under stress due to the high cost of parts and fuel. However, improvement in markets should help this sector. In general, projections are for improvement in most forestry sectors in 2014, including markets for timber.

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