A Snapshot View of the KY Forest Products Industries

Terry Conners, Extension Specialist for Forest Products, Department of Forestry

- **Value of Forest Products in KY**
  - Three major sectors:
    - Wood Products Mfg, NAICS 321
    - Furniture and Related Product Mfg, NAICS 337
    - Paper Mfg, NAICS 322

- **Overall**
  - Cost of Materials: $2.6 billion
  - Value-Added: $1.9 billion
  - Value of Goods: $4.5 billion
  - Material cost is ~ only 58% of final value!

- **Manufacturing Jobs**
  - The Forest Products industries account for 1 out of 9 of all manufacturing (value-added) jobs in Kentucky
  - 4th in employment in Durable Goods Manufacturing sector (Lumber, Wood Products, Furniture & Fixtures)
  - 7th in employment in Nondurable Goods Manufacturing sector (Paper & Allied Products)

- **Primary Mfg Companies in KY**
  - 520 companies in KFIA roster

- **Secondary Mfg Companies**
  - 550 companies in KWPCC roster
Manufacturing Jobs

- Average hourly earnings for secondary manufacturing are about the same as the overall average for all manufacturing workers\(^4\)
- Comparable to wages in the mining industry

Demand for Wood Machinists

- Wood machinists are among the twenty-five fastest-growing Kentucky occupations requiring extensive post-secondary or employer training.
- 35% increase in employment projected 1996-2006\(^5\)
- Kentucky’s needs for precision woodworkers are projected to grow faster than the US average\(^6\)

Occupations and Growth

- Three occupations have growth expectations well above average (15%) from 1996-2006\(^6\)
  - Wood Machinists: 36%
  - Furniture Finishers: 26%
  - Cabinetmakers: 22%

Other Occupations in Demand Requiring Training

- Other precision woodworkers and woodworking machine operators
- Lumber graders
- Dry kiln operators
- Head sawyers
- Sawyers and Saw tenders

Value-Added Example

\[\text{Cost (\square)} \text{ vs Profit(\square):}
\]

\#2 Red Oak Logs, $400 cost

<table>
<thead>
<tr>
<th>Cut/Mould</th>
<th>Dry</th>
<th>Saw</th>
<th>Logs</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5</td>
<td>1.0</td>
<td>1.2</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Dollars, thousands

\(^1\)NAICS = North American Industry Classification System, pronounced “Nakes”
\(^2\)Data from U.S. Census Bureau, 1997 Economic Census, Kentucky Manufacturing
\(^3\)Kentucky Department for Employment Services
\(^4\)Kentucky Bureau of Labor Statistics
\(^5\)Kentucky Occupational Outlook to 2006, Dept. for Employment Services statistics
\(^6\)Kentucky Occupational Outlook to 2006, Dept. for Employment Services projection

(T. Conners 2/03)

Educational programs of the Kentucky Cooperative Extension Service serve all people regardless of race, color, age, sex, religion, disability, or national origin.