Kentucky’s Forest Product Industry worth 10 billion to the State’s Economy

At the April 4th & 5th Kentucky Forest Industry Association Annual Meeting the Department of Forestry in the University Of Kentucky College Of Agriculture released the Kentucky Forest Economic Impact Report 2012-2013. The report stated the Forest Products Industry contributed nearly $10 billion to the state’s economy in 2012. Direct revenues totaled 6.4 Billion with an additional $3.6 billion in indirect and induced contributions. The industry directly employed 24,262 people and was responsible for a total 51,928 which accounted for 2.7 percent of Kentucky’s jobs and $1.25 billion in earned income in 2012. Leading the way was the secondary sector that directly employed over 10,000 people.

The report indicated that Kentucky’s 12.5 million acres covers nearly half (49%) of the state. In 2012, a total of 593 million board feet of hardwood sawlogs and veneer were produced from these forests ranking Kentucky as the leader in hardwood production in the South and one of the top three nationally. According to current data, Kentucky is still growing much more timber than it is removing, but the quality of forests may be declining. Kentucky has seen a decrease in the percent of high quality trees in Kentucky, from 20.7 percent of the timber volume in 2004 to 12.9 percent in 2011.

The outlook for 2013 looks mixed with lumber production and secondary manufacturing trending upwards as housing starts continue to rise. Demand for cross ties should remain stable or increase and the stave market will be on an upswing. While pulp and paper production in Kentucky should remain relatively stable, paper converters (those who make products out of paper) may recede as paper consumption is predicted to decline another 4% in 2013. This is a national on-going trend that may ultimately affect both our paper converters as well as our pulp and paper production. The strength of the forestry sector in 2013 will relate the balance between losses in paper converters and gains in primary and secondary industries. To view the report in its entirety click on this link; Kentucky Forest Economic Impact Report 2012-2013.