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News Release

FOR IMMEDIATE RELEASE

ECONOMIC SLOWDOWN IMPACTS FOREST LANDOWNERS

Forest Products Provide Valuable Markets for Landowners

RALEIGH, NC (DECEMBER 22, 2008) -- The forest products industry, the state's largest manufacturing industry in terms of employment and wages, has not been immune to the economic slowdown gripping North Carolina and the entire nation. The latest economic impact data on the forest products industry in North Carolina shows the continued deterioration of the industry.

"Between 2007 and 2008, the state lost almost 200 manufacturing facilities, 12,000 employees and \$100 million in contributions to the state gross product," stated David Ashcraft, the Executive Director of Development and College Relations, College of Natural Resources at N.C. State University. "The total economic benefit to the state of this industry declined nearly by 500 million dollars and 32,000 jobs."

Category	2008	(2007)
# of manufacturing facilities ¹	2,554	(2,742)
# of manufacturing employees	91,125	(103,168)
Contribution to North Carolina's		
Gross Product, \$ billion	6.0	(6.1)
Wages ¹ , \$ billion	3.3	(3.6)
Value of shipments, \$ billion	19.1	(19.4)
Economic benefits of Forests, \$ billion	29.8	(30.3)
Forest Products, Jobs	240,570	(272,364)

Notes:

A. Forest Products includes NAICS manufacturing codes: 113-Logging, 321-Wood Products, 322-Paper and 337-Furniture

B. The number in parentheses is from the report issued on February 1, 2007

C. Forest Products manufacturing facilities are located in each county in North Carolina

D. Forest Products as percent of total manufacturing in North Carolina:	Number of facilities	1.0%	(1.2%)
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	Number of employees	2.7%	(3.1%)
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E. Lost forest products jobs in North Carolina jobs since 1990:	Total losses	49,194	(38,472)
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Furniture losses:	42,161	(36,684)	or 86% (95%) of the losses have occurred in furniture category
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"I hope the new administrations at the state and national levels will recognize the critical link between healthy, productive forests and a healthy, competitive forest products industry," stated Bob Slocum, the NCFA's Executive Vice President. "If our industry declines, so does the incentive for landowners to keep their land in forests and to manage the resource. That's not good for the environment or the economy."

Despite this decline, the forest products industry still provides a substantial contribution to the state's economy. Not included in this data, but equally important, are the contributions that our forests make to the state's environment and to other industries such as tourism. The economic value of clean water, clean air, wildlife habitat and outdoor recreation is substantial.

The forest products industry has always been an important part of the state's economy. The state's "Tar Heel" nickname traces its roots back to colonial times when North Carolina led the world in the production of naval stores, such as pine tar and turpentine. Today, there are forest products facilities located in every county of North Carolina, many of which are family owned businesses. When compared to the forest products industry in other states, North Carolina ranks in the top 10 nationally in virtually every economic measure.

“A key reason we have as much forestland as we do today is that landowners enjoy healthy markets for what they are growing. Healthy forests depend on a healthy forest industry,” stated Slocum. “If our industry suffers to the point where we start to see companies close down operations or move, the trickle down effect on our environment will be dramatic since the majority of forest landowners plan to sell timber at some point. Working forests and working farms are the keys to conserving productive green space without adversely impacting rural economies.”

Forests are the dominant land use in North Carolina, consisting of some 17-plus million acres and represent nearly 60 percent of the land area. Almost 90 percent of these forests are privately owned by some 600,000 landowners.

“I have visited several states through my involvement with the Tree Farm program, and in some cases, the landowners struggle to find markets for their timber,” stated Dr. Robert Cooper, who along with wife Jean was named the American Tree Farm System’s Tree Farmer of the Year in 2008. “We manage our farm for recreation, wildlife and aesthetics, but in the end, to justify our investment and land use, we hope to harvest timber for a profit. We certainly need a healthy industry.”

The NCFA has produced two separate booklets on the state’s latest forest inventory data and the health of the forest products industry in North Carolina. These publications are listed on the home page under the headlines section of the NCFA’s website: www.ncforestry.org.

“With a net loss of one million acres of forestland to other uses since 1990, we must maintain the economic value of our forests. This will take healthy markets for wood products, attractive incentives for private landowners to keep and manage their forests, and strong public support,” said Slocum.

Landowners across the state take their role as a steward of the land and maintaining their family farm legacy very seriously. One such landowner is Wilson County’s C.D. Barrett, who manages his third generation farm of some 300 acres in a manner that will provide constant attention, activity and hopefully, cash.

“The one thing that makes a real good tree farmer is a check rolling in every five years,” stated Barrett as he explained the challenge of meeting the tax and investment burdens that go hand in hand with owning forestland. “That makes you a committed tree farmer. So every five years, I’ll harvesting timber somewhere on my property.”

The NCFA sponsors a ProLogger program that reaches out with safety, environmental and business education program to loggers throughout the state. Currently, the program has over 1,400 loggers who have completed this program, but the number of active loggers has seen downward spiral that coincides with the slowdown in forest products industry. This workforce, together with the forest products facilities, is a crucial component in North Carolina’s challenge of conserving green space.

For more information about the environmental impact this economic slowdown could have on the state’s forests, please contact Bob Slocum or Chris Brown at the NCFA at (800) 231-7723.

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