

Montana's Forest Products Industry: Timber Harvest and Recent Trends

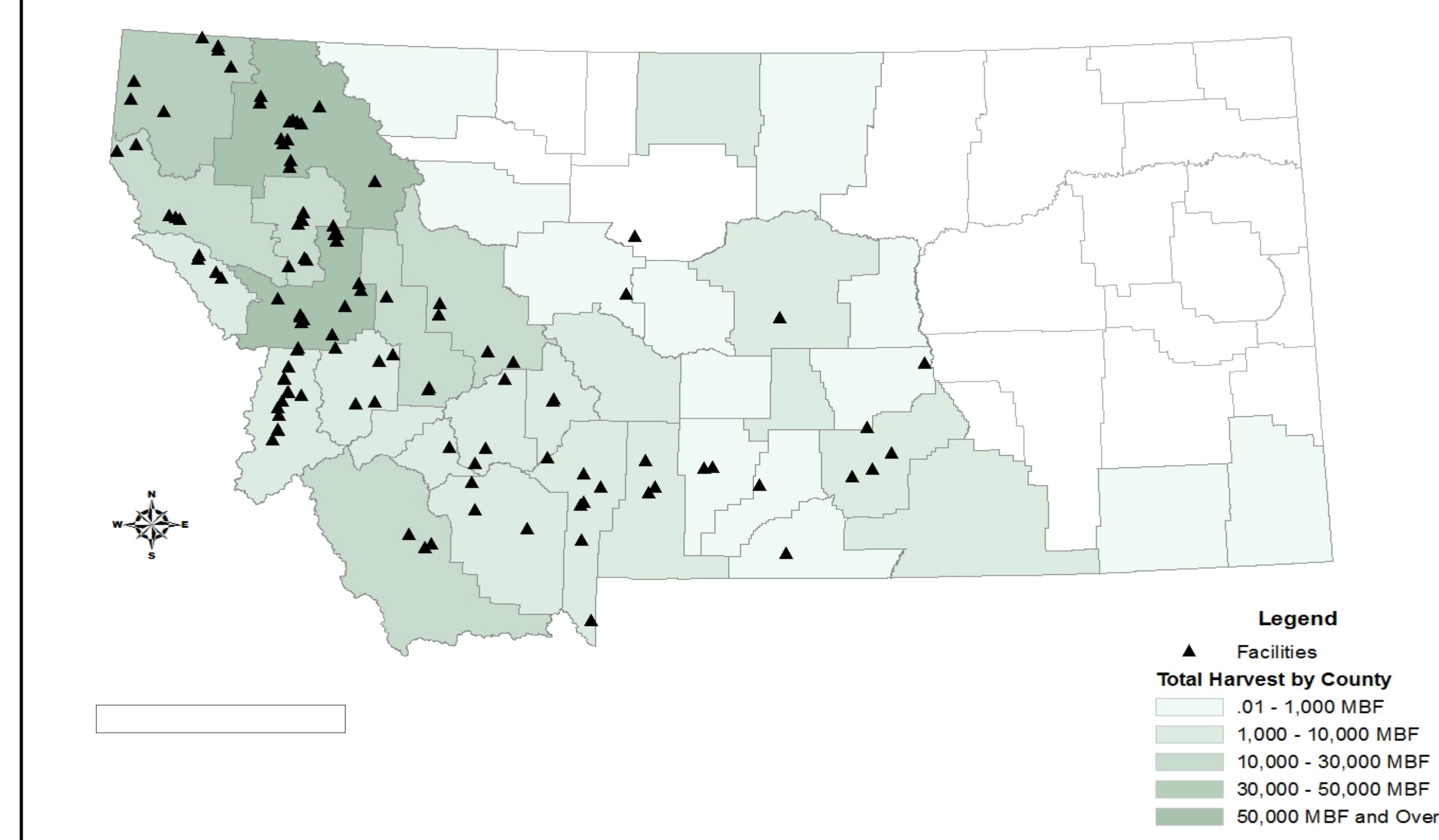
Colin B. Sorenson, Chelsea P. McIver, Todd A. Morgan, and Charles E. Keegan

Introduction:

The University of Montana's Bureau of Business and Economic Research (BBER) and the Interior West-Forest Inventory and Analysis (FIA) Program have developed the Forest Industries Data Collection System (FIDACS) to collect, compile, and make available state and county-level information on the operations of the forest products industry. The FIDACS is based on a census of primary forest product manufacturers located in a given state. Through a written questionnaire or phone interview, the following information is collected for each active facility in a given calendar year:

- Plant production, capacity, and employment
- Volume of raw material received, by county and ownership
- Species of timber received and live/dead proportions
- Finished product volumes, types, sales value, and market locations
- Utilization and marketing of manufacturing residue

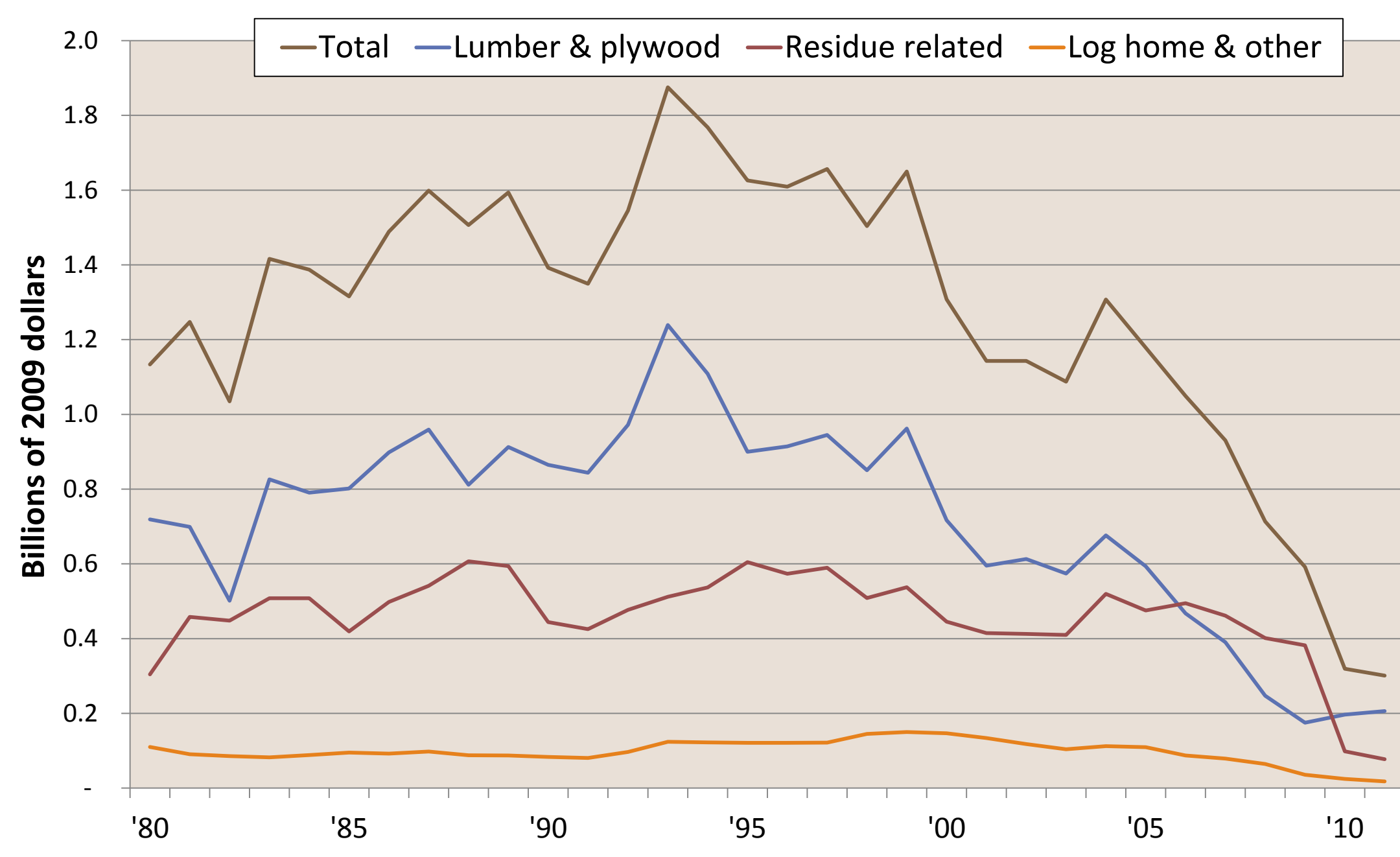
Montana Primary Timber Processing Facilities and Timber Harvest, 2009



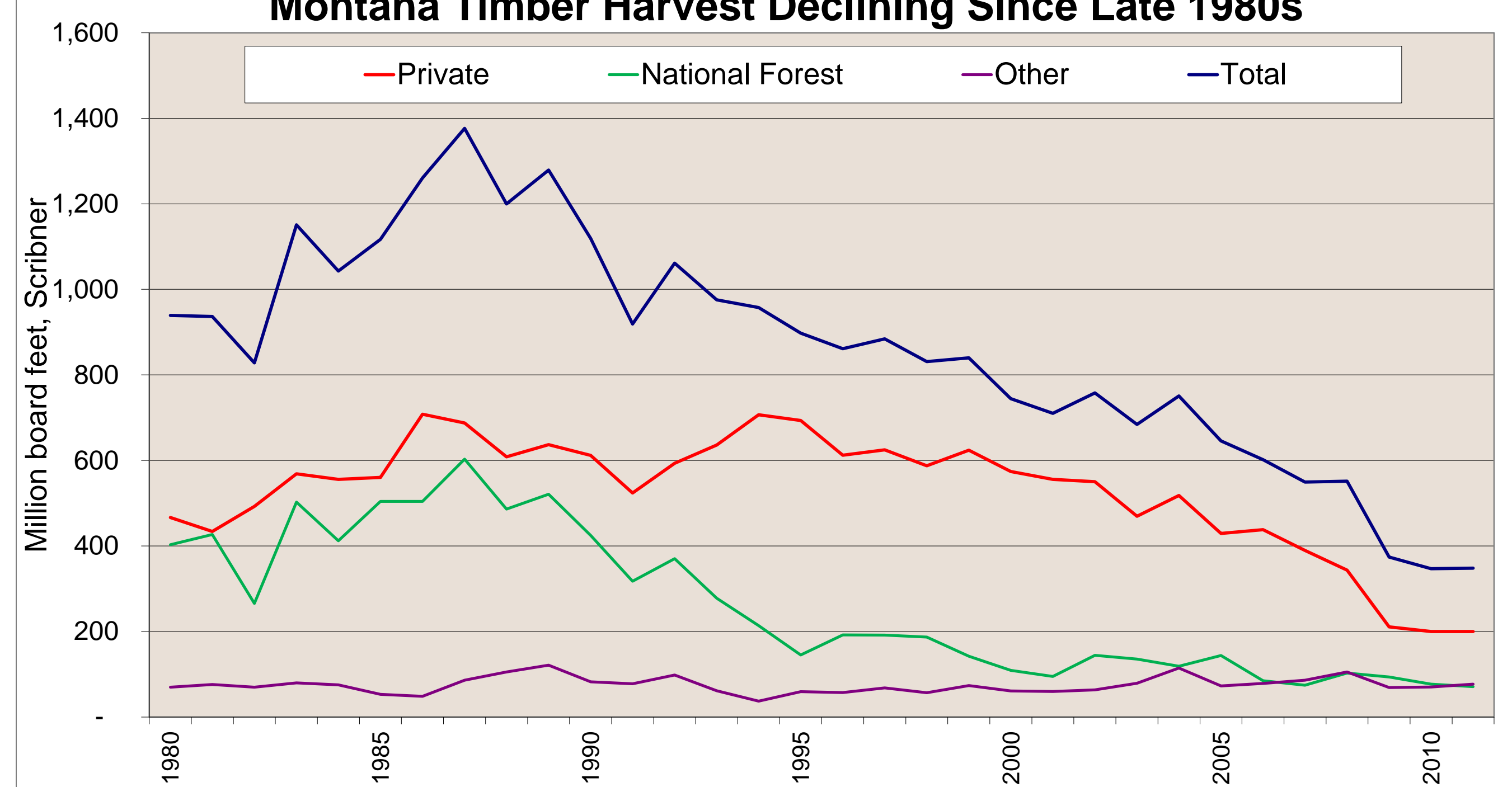
Results and Highlights:

- A total of 127 primary wood-processing facilities were operating in Montana during 2009:
 - 41 sawmills
 - 2 plywood and veneer plants
 - 33 house log manufacturers
 - 4 pulp and board facilities
 - 19 bark product, fuel pellet, and cedar product manufacturers and energy plants
 - 14 post and pole plants
 - 14 log furniture manufacturers
- Montana's 2009 timber harvest was 374 million board feet (MMBF) Scribner. Private lands supplied 57 percent of the harvest. Lodgepole pine was the leading species harvested, accounting for 35 percent of the harvest. Sawlogs and veneer logs were the main products harvested, accounting for 73 percent of the harvest.
- Montana's timber harvest continues to be heavily concentrated in the western part of the state. Flathead (23 percent), Missoula (15 percent), and Lincoln (11 percent) were the top three counties for harvest. About 25 percent of the harvest came from counties east of the Continental Divide.
- Ninety-three percent of Montana's timber harvest was processed in-state during 2009. Montana shipped more timber out of the state than it imported.
- The housing collapse and Great Recession severely impacted Montana's forest products industry and led to numerous mill closures and curtailments, especially in 2009. In 2010, Montana's only pulp and paper mill and largest wood-using facility was also shuttered.
- Industry capacity to process sawtimber was 611 MMBF in 2009, down from 934 in 2004. Fifty percent of capacity was utilized in 2009, compared to 70 percent in 2004.
- Montana's forest products industry employed 7,051 workers during 2009, down from over 10,000 workers in 2004.
- Sales from Montana's primary forest products industry dropped from over \$1.3 billion in 2004 to \$592 million in 2009.
- On a positive note, there is considerable unutilized milling capacity among Montana's remaining forest industry firms, and substantial and rapid increases in production and employment could occur as markets improve.

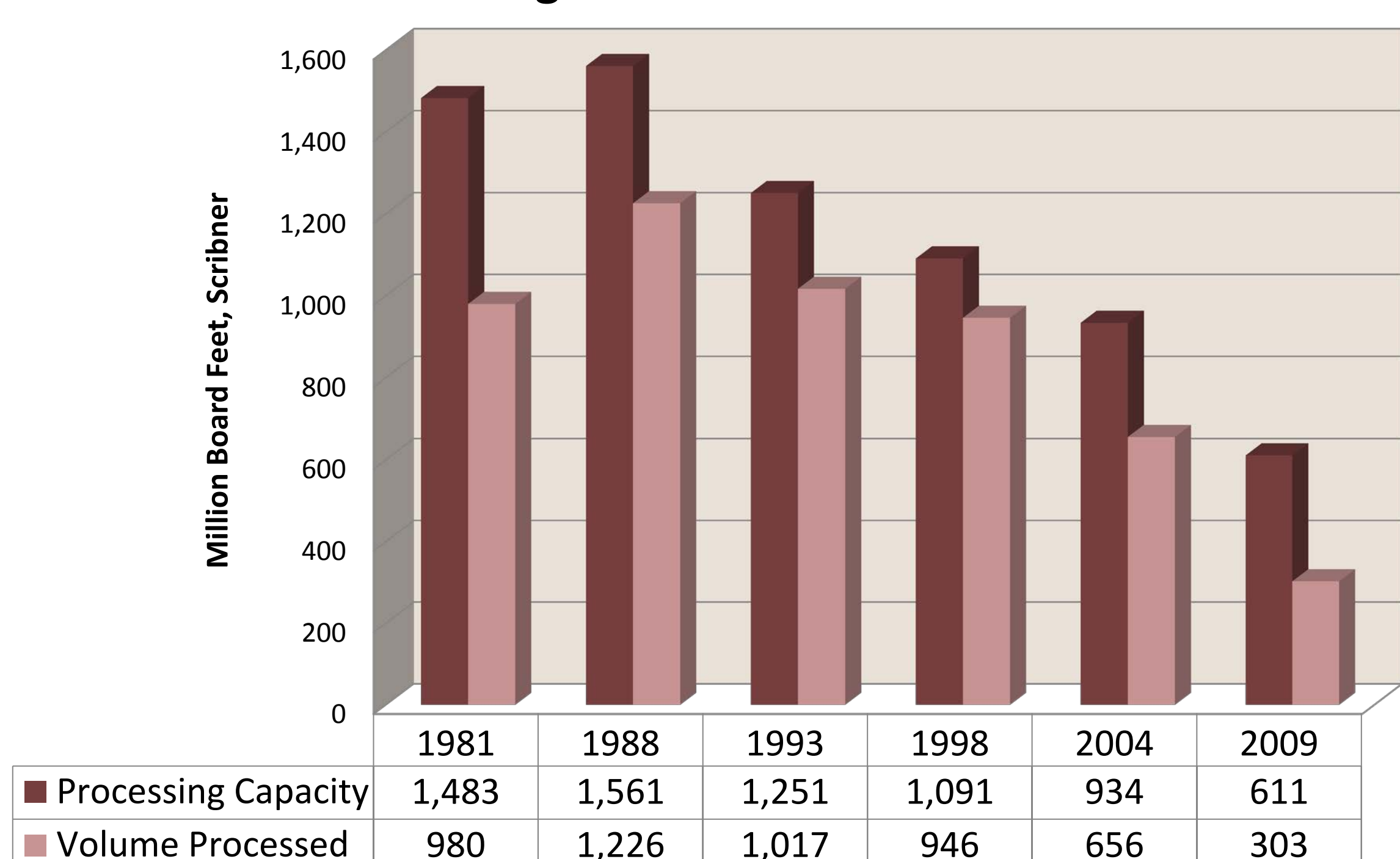
Sales from Montana's Wood Products Industry Hit Hard by Great Recession and Housing Collapse



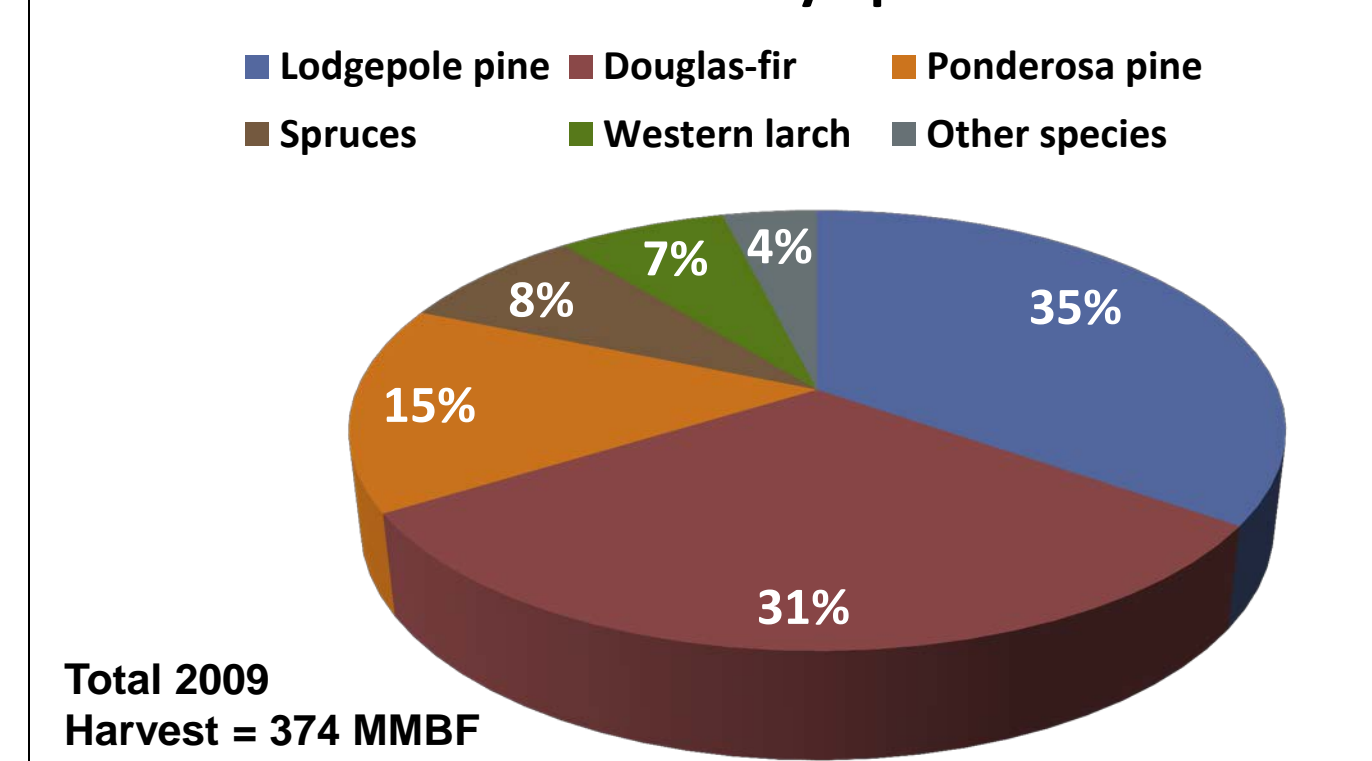
Montana Timber Harvest Declining Since Late 1980s



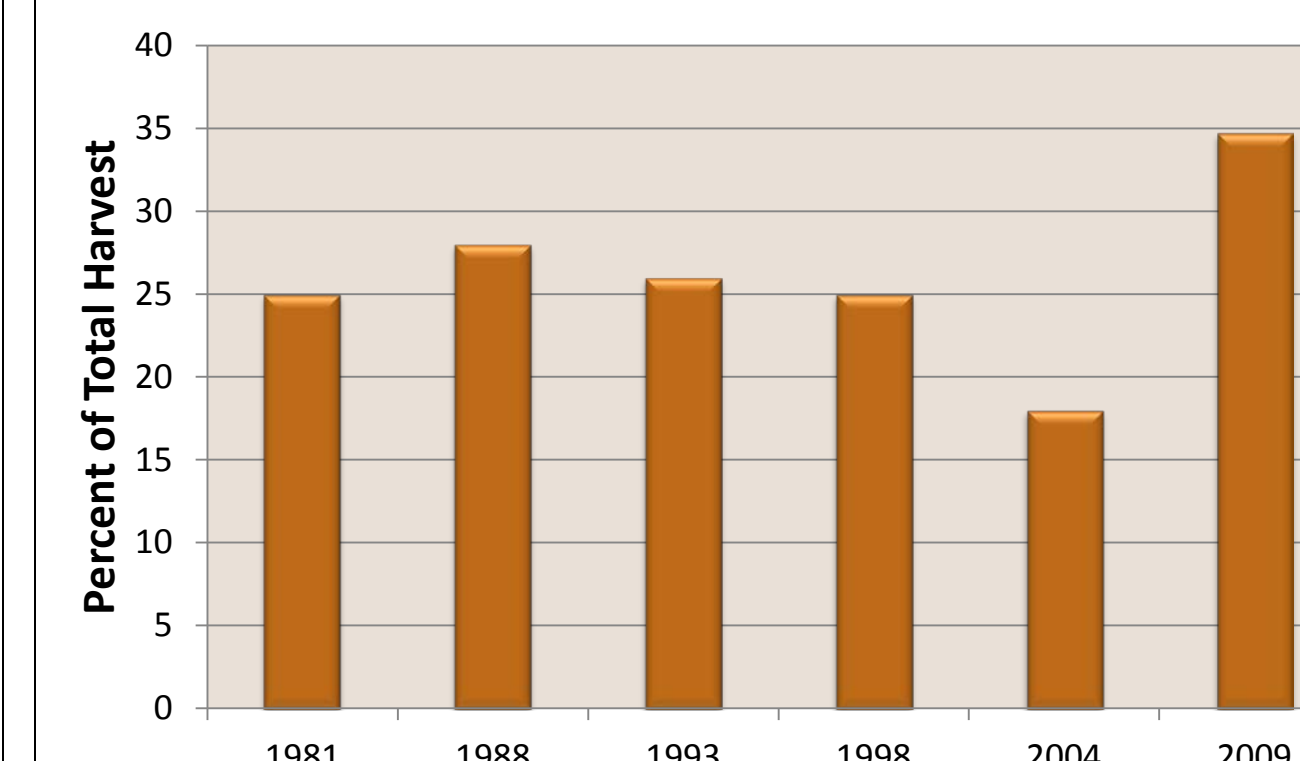
Montana Timber-Processing Capacity and Use Down During the Great Recession



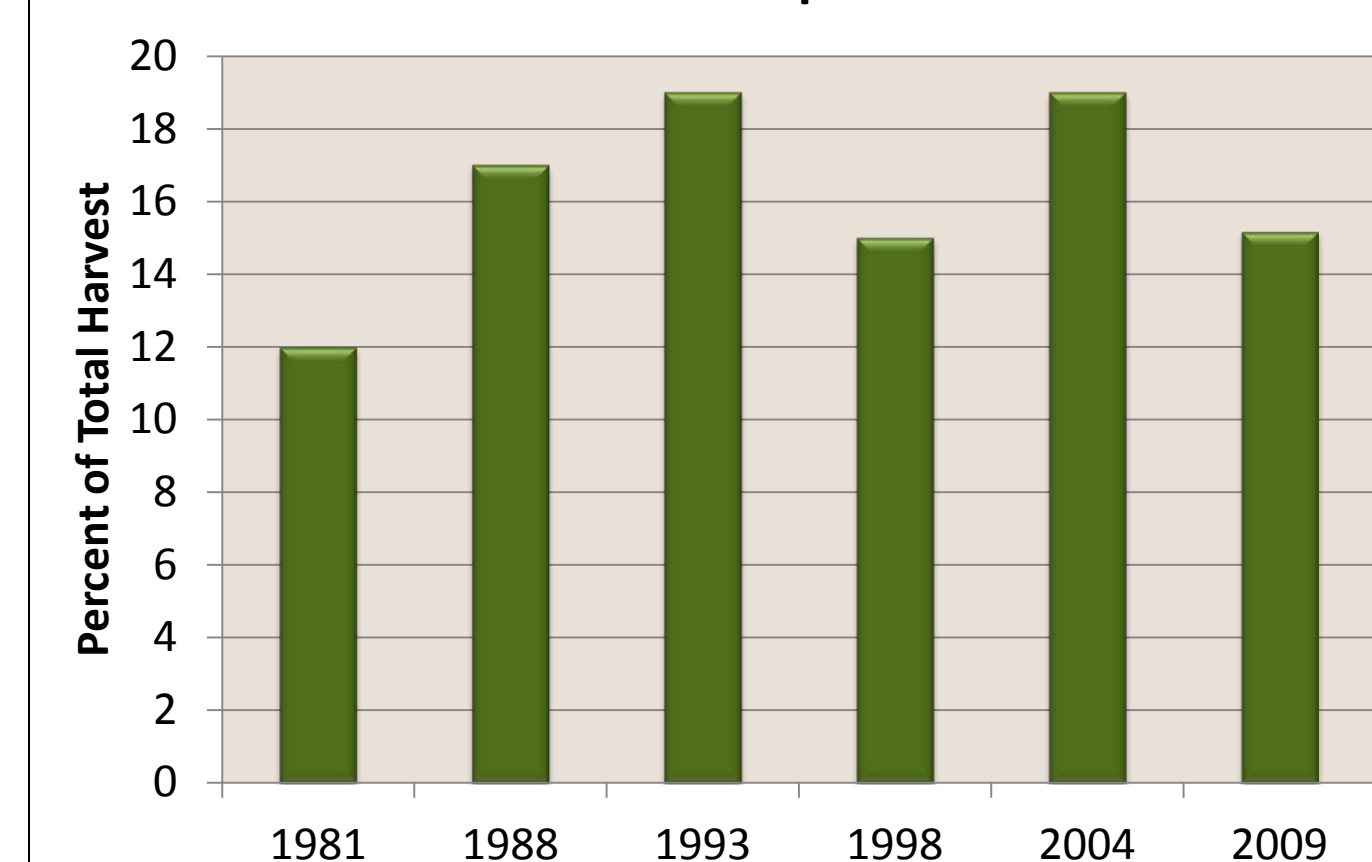
2009 Harvest by Species



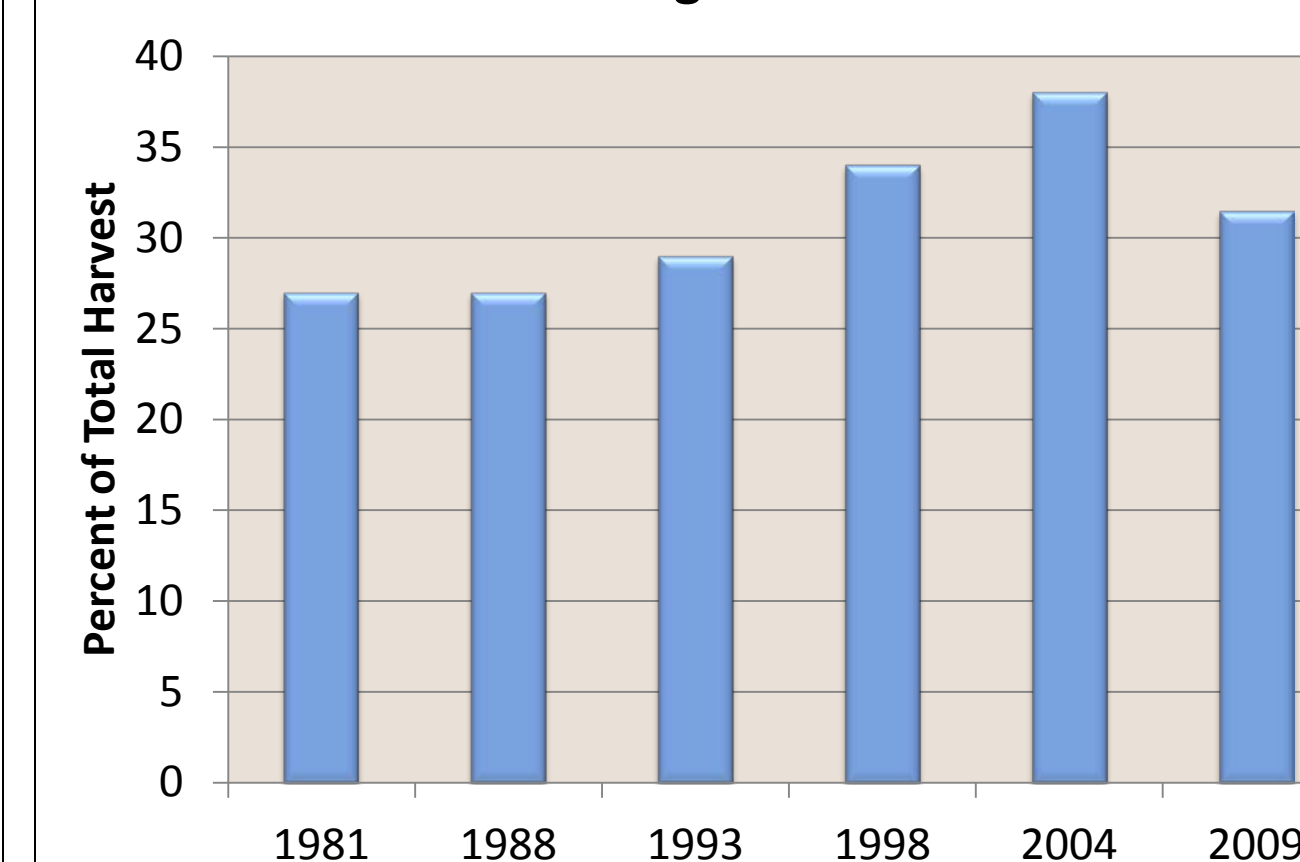
Lodgepole pine



Ponderosa pine



Douglas-fir



Contact us:

Bureau of Business & Economic Research
www.bber.umt.edu

Colin B. Sorenson
 colin.sorenson@business.umt.edu

Chelsea P. McIver
 chelsea.mciver@business.umt.edu

Todd A. Morgan
 todd.morgan@business.umt.edu

Charles E. Keegan
 charles.keegan@business.umt.edu