

Forest Management and The Forest Products Industry

A Story of Complexity and Change

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The Montana Challenge



1945

National Forest Management in Montana

2005

Changing Emphasis

Timber production
Focus on Trees Cut




Ecosystem Condition
Focus on Trees Left

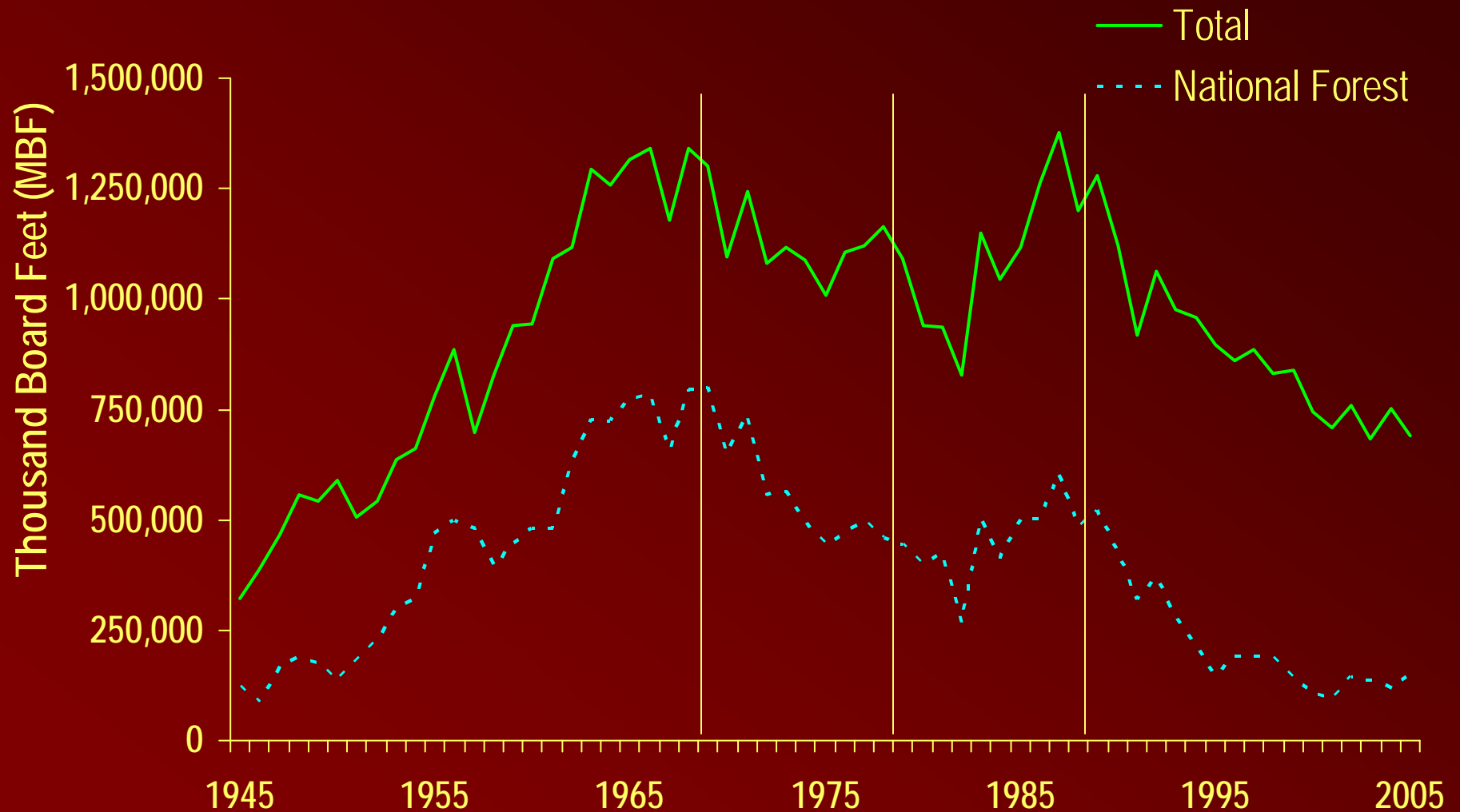




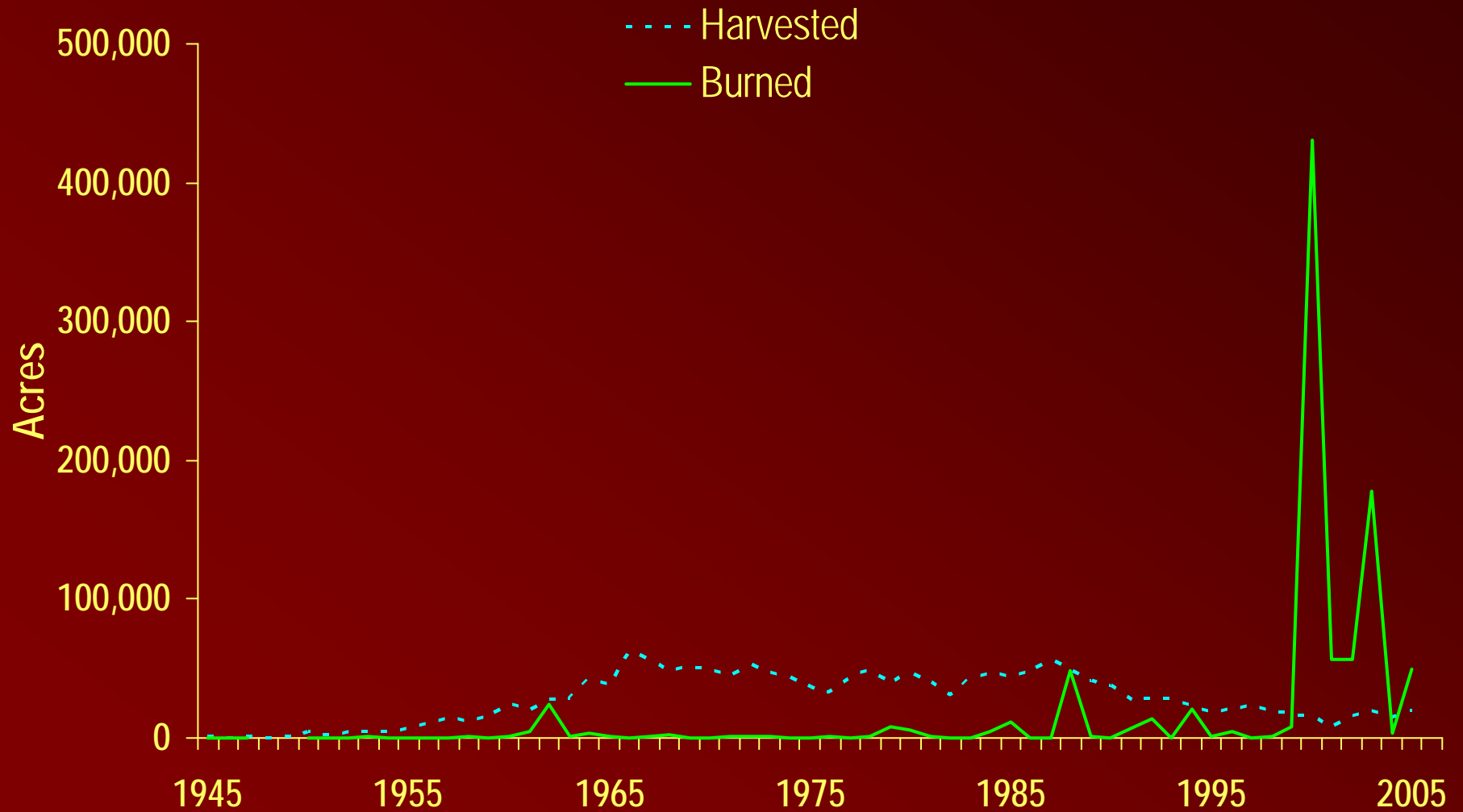


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- A photograph of a forested mountain landscape. In the foreground, there are green pine trees and some dry, brownish vegetation. In the middle ground, several houses are visible, partially obscured by the dense forest. The houses have various roof colors, including red and white. In the background, there are more forested mountains under a pale sky. The image has a slightly grainy texture and some minor dust spots.
- Threats to humans
 - Threats to property
 - High suppression costs

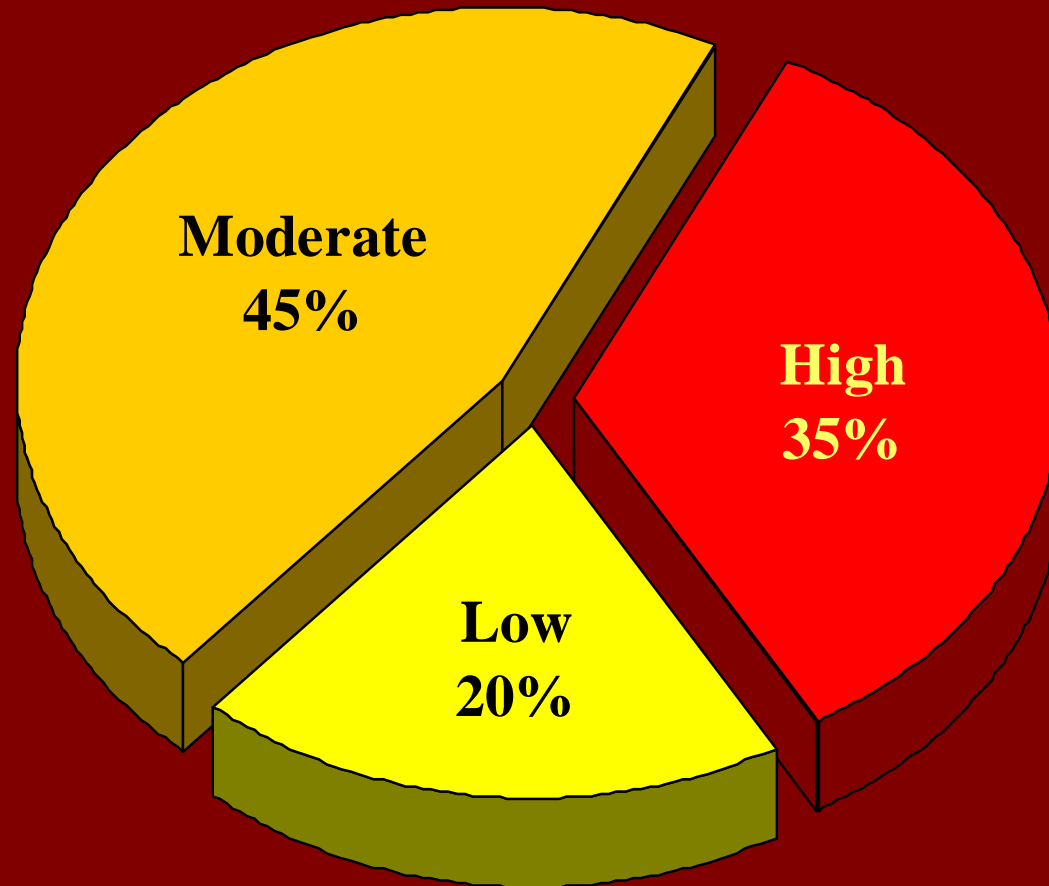
Annual Timber Harvest in Montana, 1945-2005



Acres Harvested vs. Acres Burned by Wildfire on MT National Forests, 1945-2005



Crown Fire Hazard in Montana's Fire-Adapted Forests



Total = 9.3 million acres









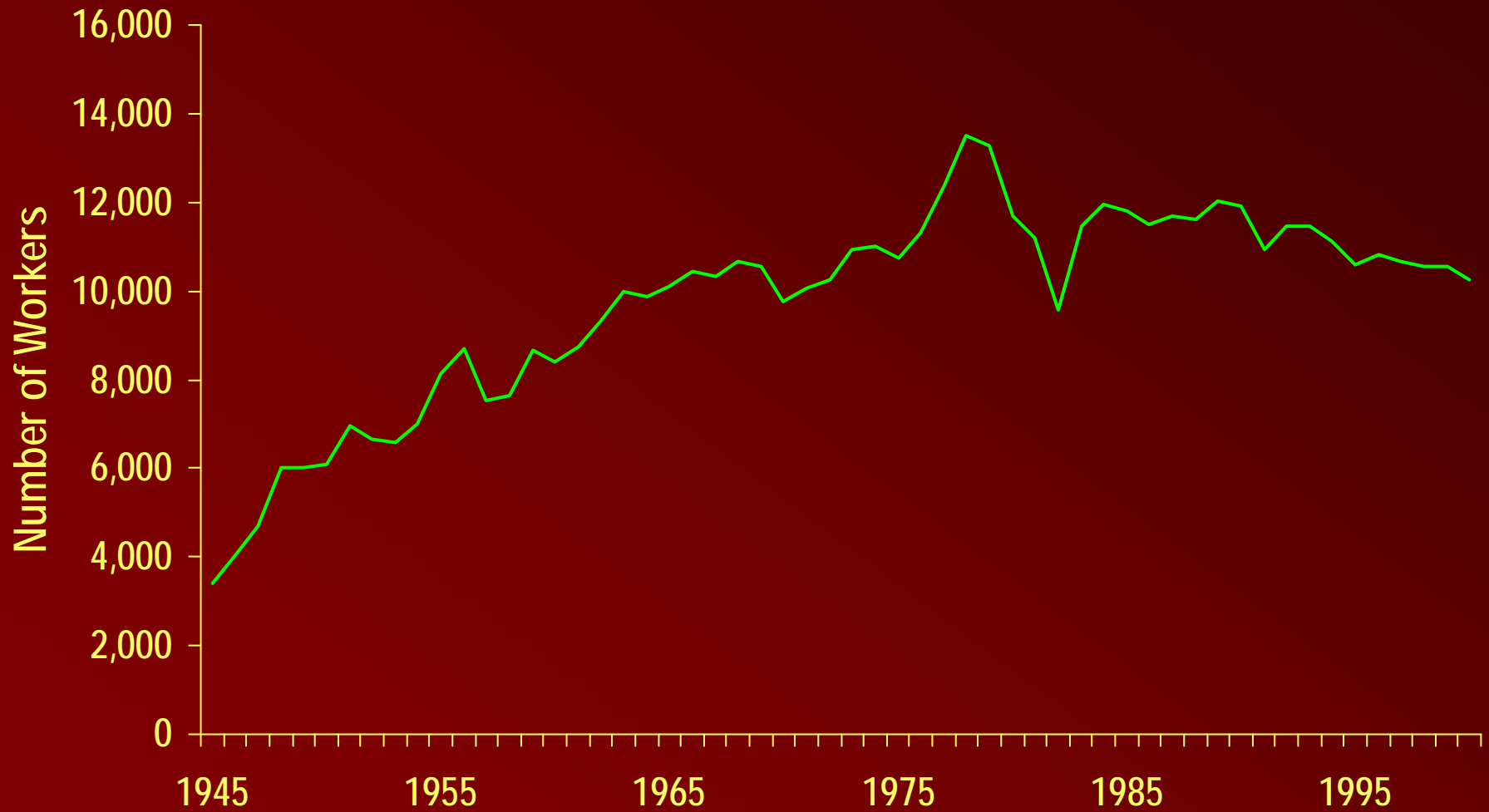


Forest Industry Development 1945 - 2007

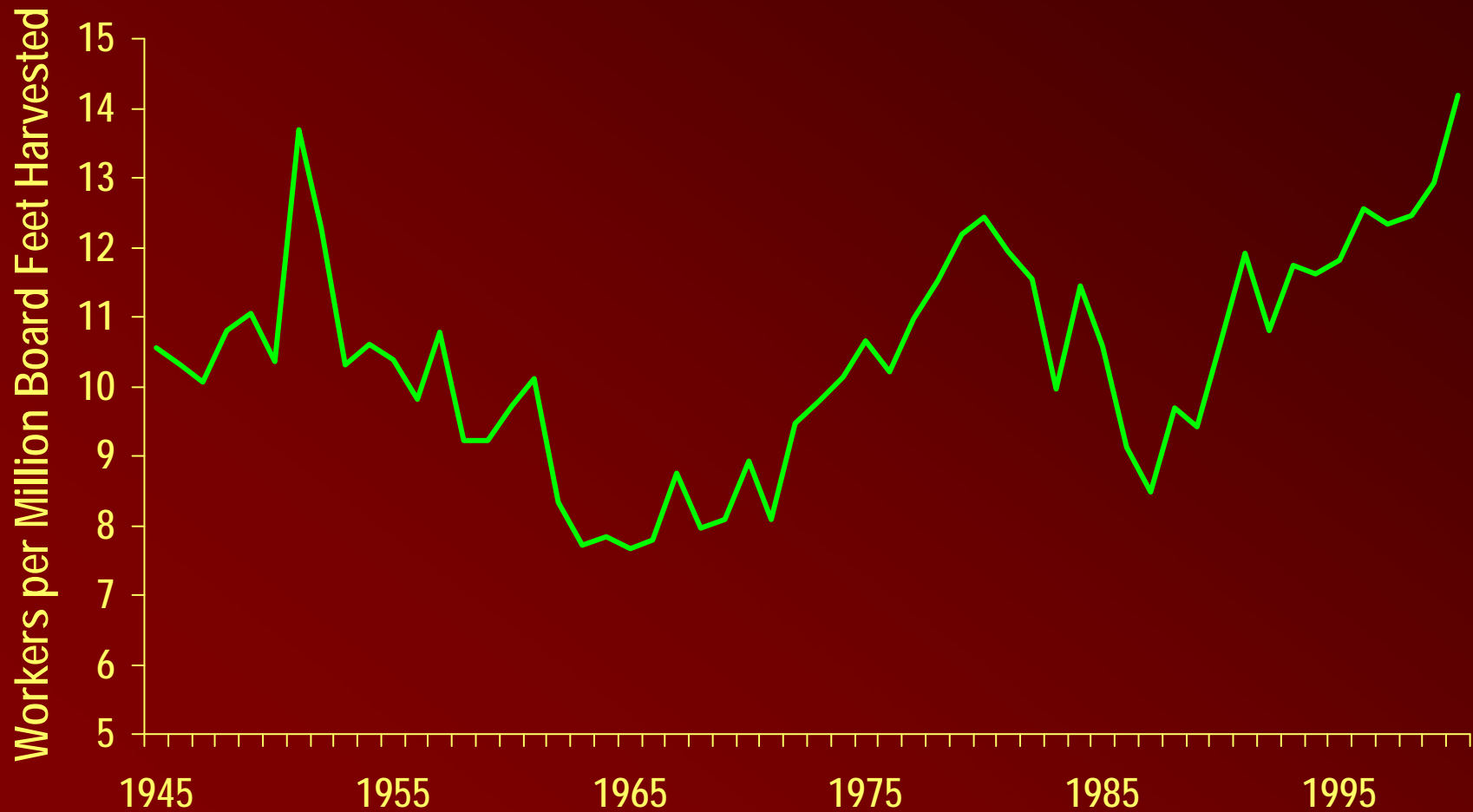
Montana's Forest Product Industry

1945 -1969	1970 -1979	1980 -1989	1990 -1999
Growth	Diversification	Volatility	Decline
Housing Starts - Construction			
↑ post war boom	↑ expanded markets	↓↑ sharp drop then record levels	↑ influenced by global markets
Employment			
↑ labor intensive	↑ strong increases up 30%	↓ mechanization & cost cutting	↕ labor intensity off sets loss of harvest
Harvest			
↑ few restrictions	↓ down 16%	↓↑ falls, then higher than 60's & 70's	↓ 25% total loss, 70% loss on federal lands
Value			
↑ strong market few imports	↑ strong market few imports	↓ low prices persist	↑ more value added products
Other			
↑ fastest growing MT industry	↑ product diversification	↑ increased imports	↓ 30% loss of infrastructure & capacity

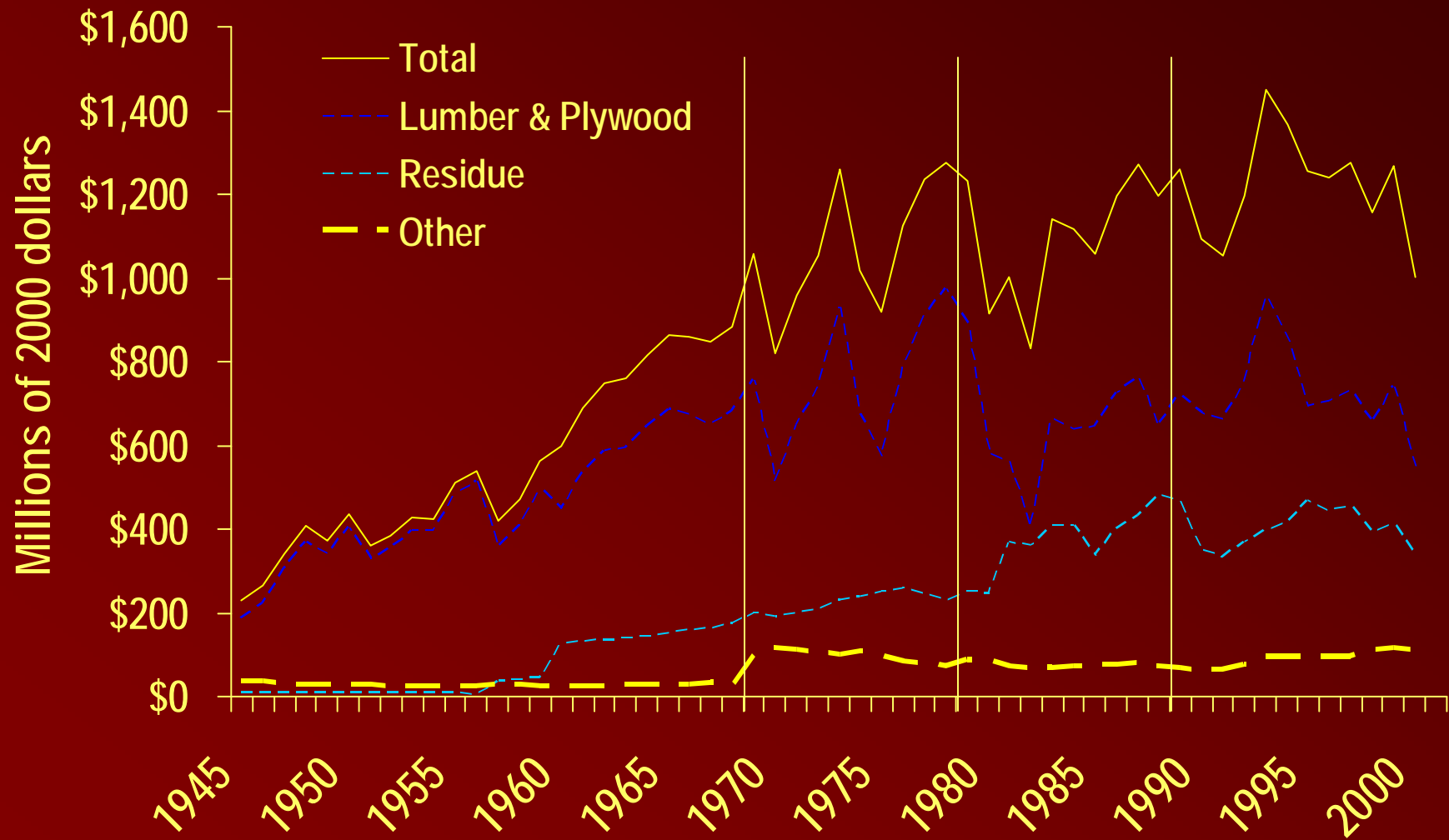
Montana Forest Industry Employment, 1945-2000



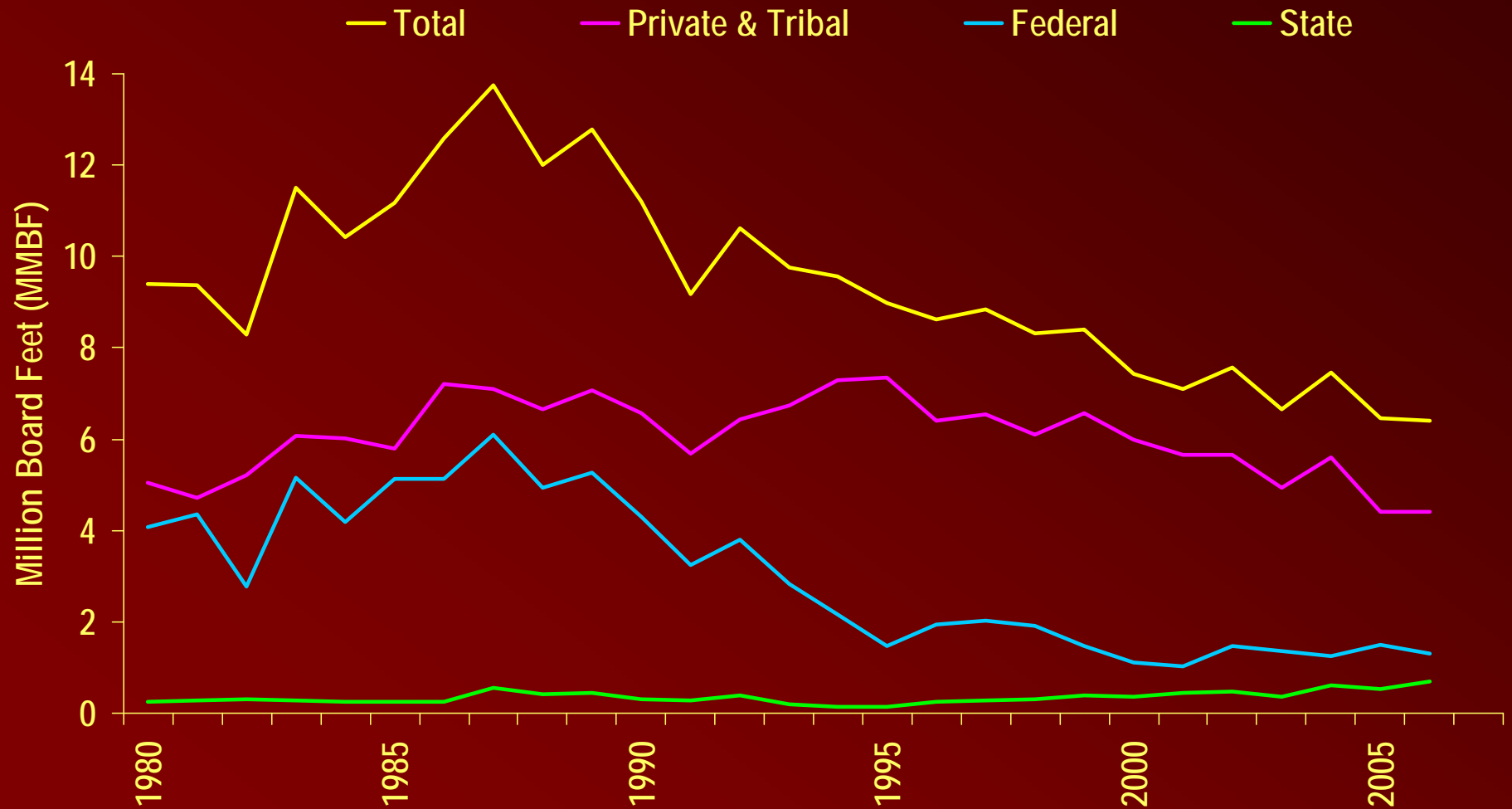
Forest Industry Employment per Million Board Feet of Timber Harvested, 1945-2000



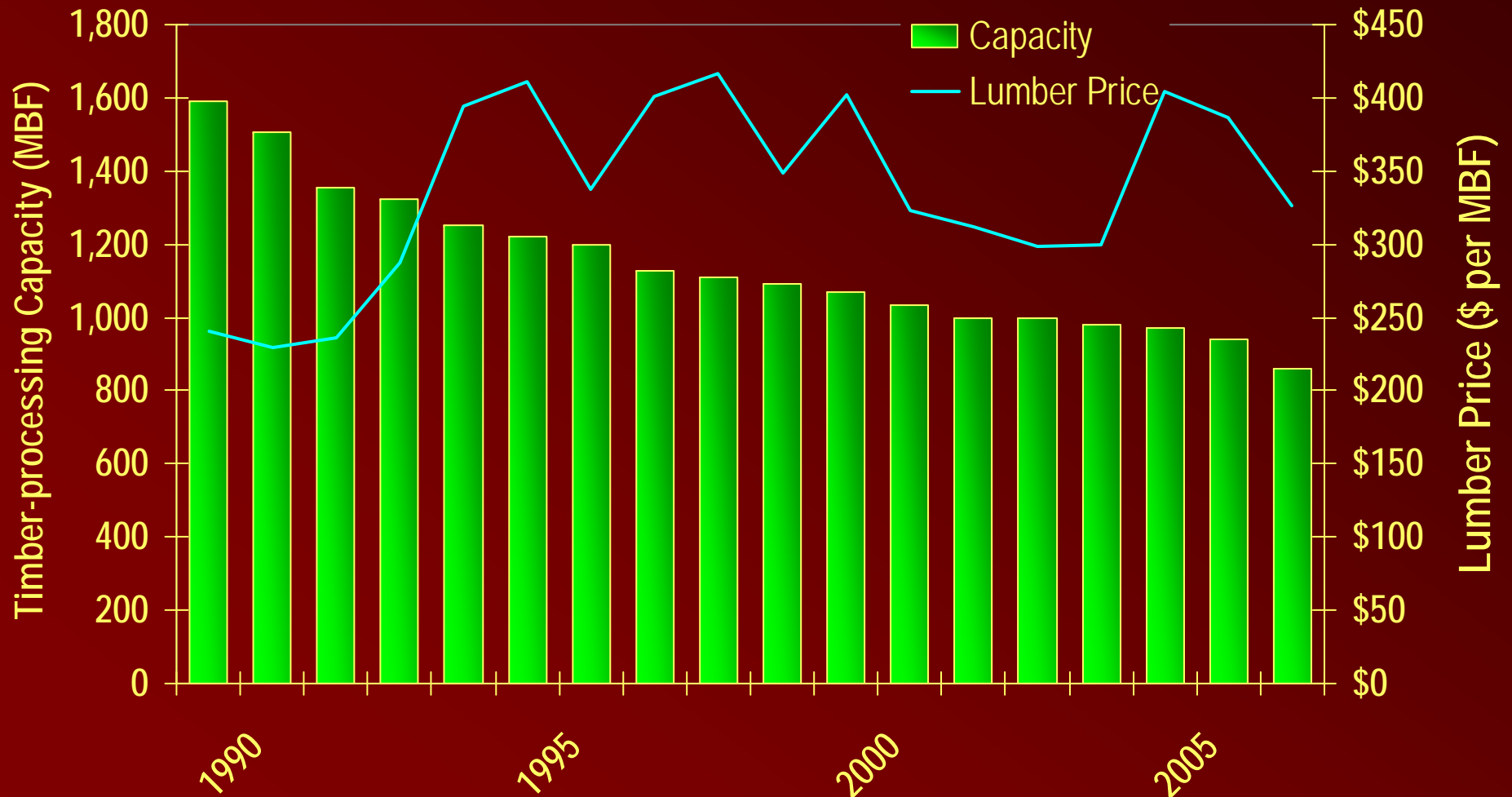
Sales Value of Montana Primary Wood & Paper Products, 1945- 2000



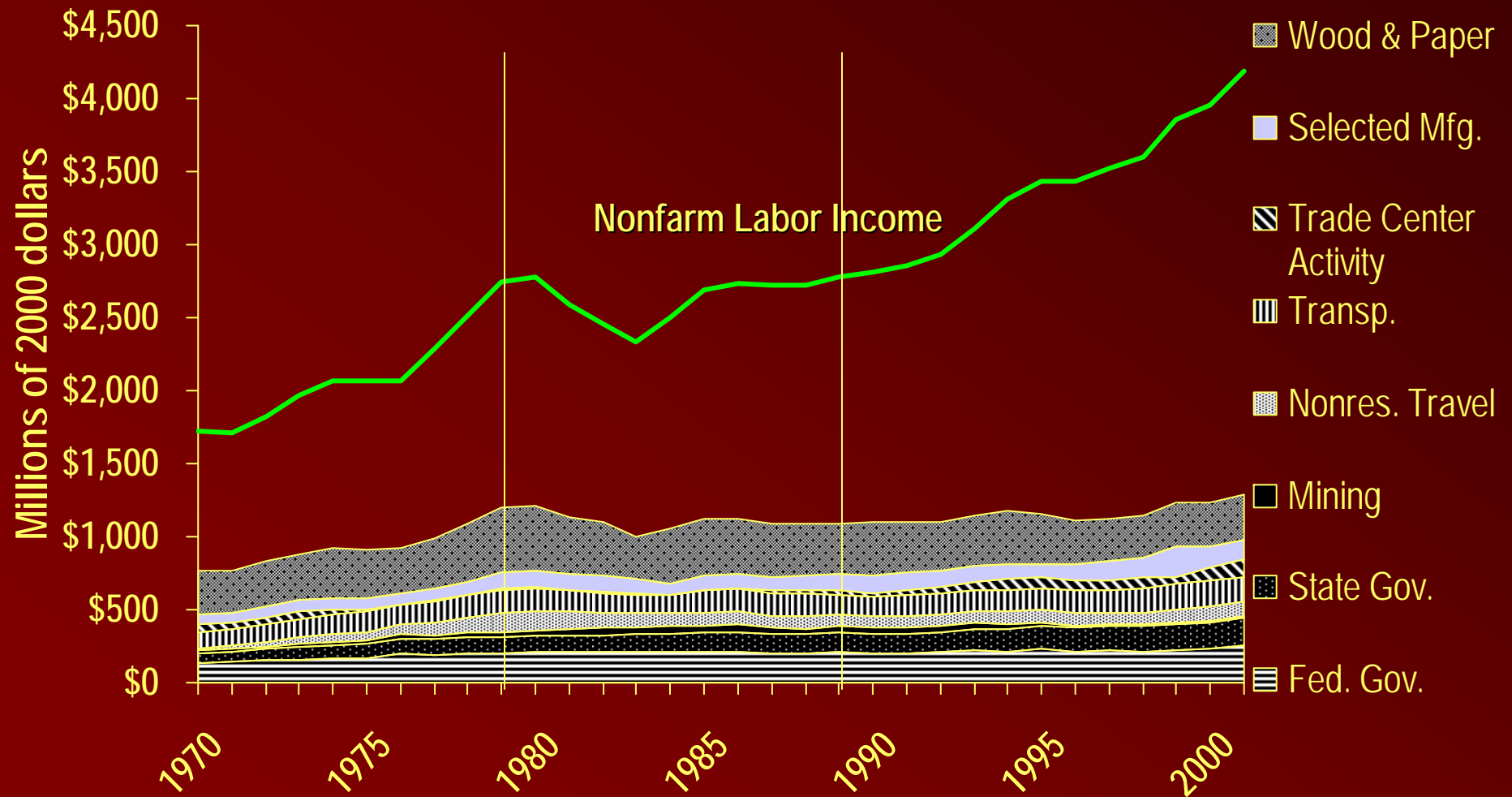
Montana Annual Timber Harvest 1980-2006



Montana Timber Processing Capacity & U.S. Lumber Prices, 1989- 2006



Nonfarm Labor Income & Labor Income in Basic Industries in Western Montana, 1969-2000



Given its decline, why be concerned about Montana's forest industry ?

- **Source of thousands of good paying jobs**
- **Key component of local economies throughout much of Montana**
- **Provides markets for forest landowners**
- **Critical tool to reduce fire hazard and restore forest conditions**

Montana Challenge

Summary and Future

- Forest management is important to Montana's economy, social fabric, and ecosystem restoration.
- Timber generated as byproducts of restoration activities are essential to retain critical mass in the state's harvesting and processing infrastructure.
- Harvesting and processing infrastructure is critical to accomplishing forest restoration and wildfire hazard reduction.
- Timber product markets provide landowners financial incentive to maintain lands as forests.