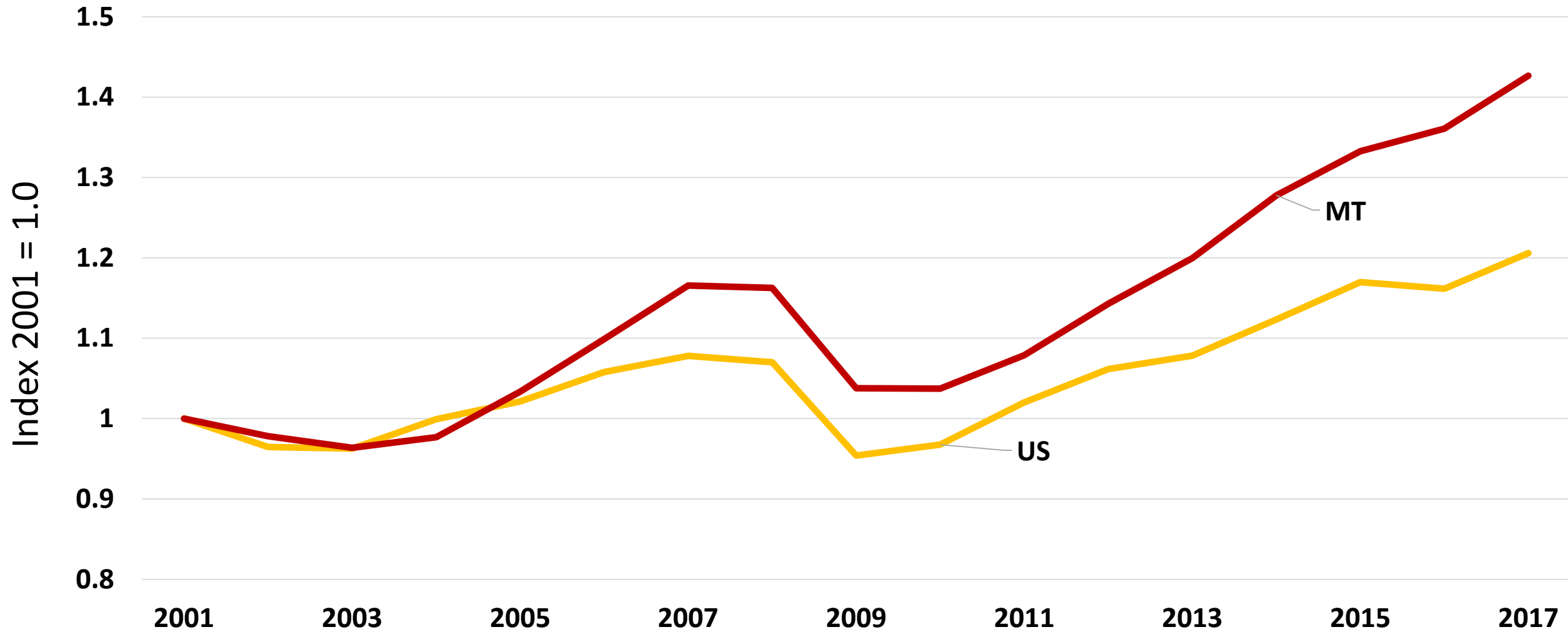


Montana Manufacturing and Forest Industry Conditions and 2020 Outlook

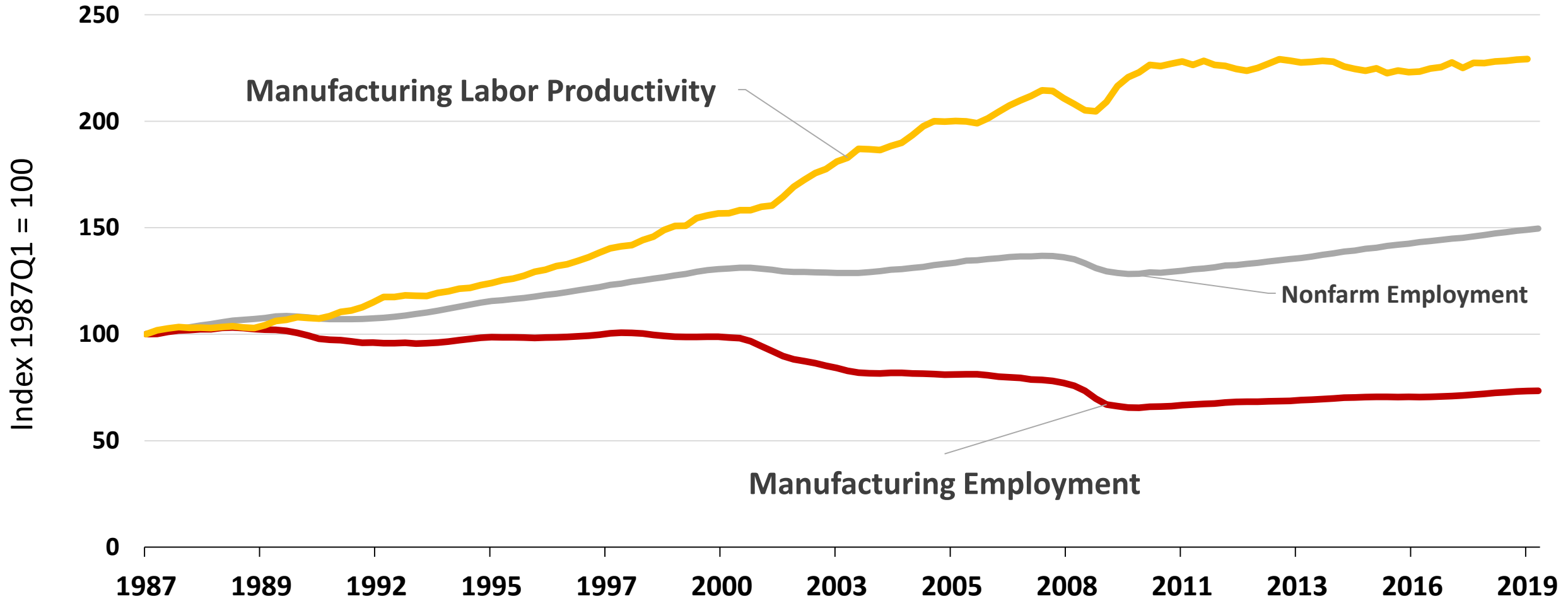
Todd A. Morgan, CF



MT vs. U.S. Manufacturing Output



U.S. Manufacturing



MT Manufacturing Employment Growth by Sector

**4% annual
employment
growth since
1998**

**25,500
manufacturing
employees
statewide in
2018**

Sector	Employees	Growth 2007-2017	
		Average	Total
Wood	3,193	-3.9%	-35.6%
Machinery	1,401	-1.2%	-12.8%
Printing & related support	1,229	-0.8%	-8.1%
Furniture & related	1,194	-0.3%	-3.5%
Food	3,062	0.3%	3.4%
Nonmetallic mineral	1,507	2.3%	28.9%
Miscellaneous	3,181	2.4%	30.5%
Petroleum & coal	1,329	2.7%	34.1%
Fabricated metal	3,038	3.9%	53.0%
Beverage & tobacco	1,421	5.7%	84.1%



MT Manufacturing Worker Shortages

	Yes in 2016	Yes in 2017	Yes in 2018	Yes in 2019
Total Manufacturing	31%	71%	23%	27%
Wood Products	29%	81%	26%	35%
Chemical/refining/ metallic products	39%	67%	14%	22%
Food and beverage	30%	84%	20%	30%
Machinery/equipment	20%	70%	18%	38%
All other manufacturing	41%	63%	27%	18%



MT Manufacturing Workers 2019...

Not enough applicants: 12%

No job openings in 2019: 23%

Not enough qualified applicants: 50%

Salary & benefits demanded by applicants were not seen as issues by manufactures during 2019.

Most have NOT worked with a local school, community college, or university in past 5 years to develop workforce or train employees.



MT Manufacturing Worker Outlook

	Decrease in 2020	Stay the same	Increase in 2020
Total	3%	63%	34%
Food & Beverage	0%	58%	42%
Textiles, Clothes, Leather	0%	74%	26%
Wood & Paper	6%	71%	23%
Petroleum, Coal, Chemicals, Plastics, Nonmetallic minerals	2%	65%	33%
Fabricated metal	6%	70%	24%
Machinery & Equipment	0%	50%	50%
Miscellaneous	0%	48%	52%



MT Manufacturing Workers: 3-year Outlook...

No job openings expected: 20%

Not enough applicants: 33%

Not enough qualified applicants: 64%

**Salary and/or benefits demanded by applicants
are expected to be more of an issue by
manufacturers in coming years.**



MT Manufacturing 2020 Outlook

	Worse	Same	Better
Total	3%	42%	55%
Food & Beverage	0%	28%	72%
Textiles, Clothes, Leather	0%	53%	47%
Wood & Paper	3%	59%	38%
Petroleum, Coal, Chemicals, Plastics, Nonmetallic minerals	4%	37%	59%
Fabricated metal	9%	44%	47%
Machinery & Equipment	0%	43%	57%
Miscellaneous	0%	46%	54%



Montana's Wood Products Facilities

- ~ 125 establishments
- ~ 70 timber users
- 8 larger, 20+ small sawmills
- Plywood, MDF, particleboard
- Log homes, post & pole, chipping
- Pellets, bark, fuels-for-schools



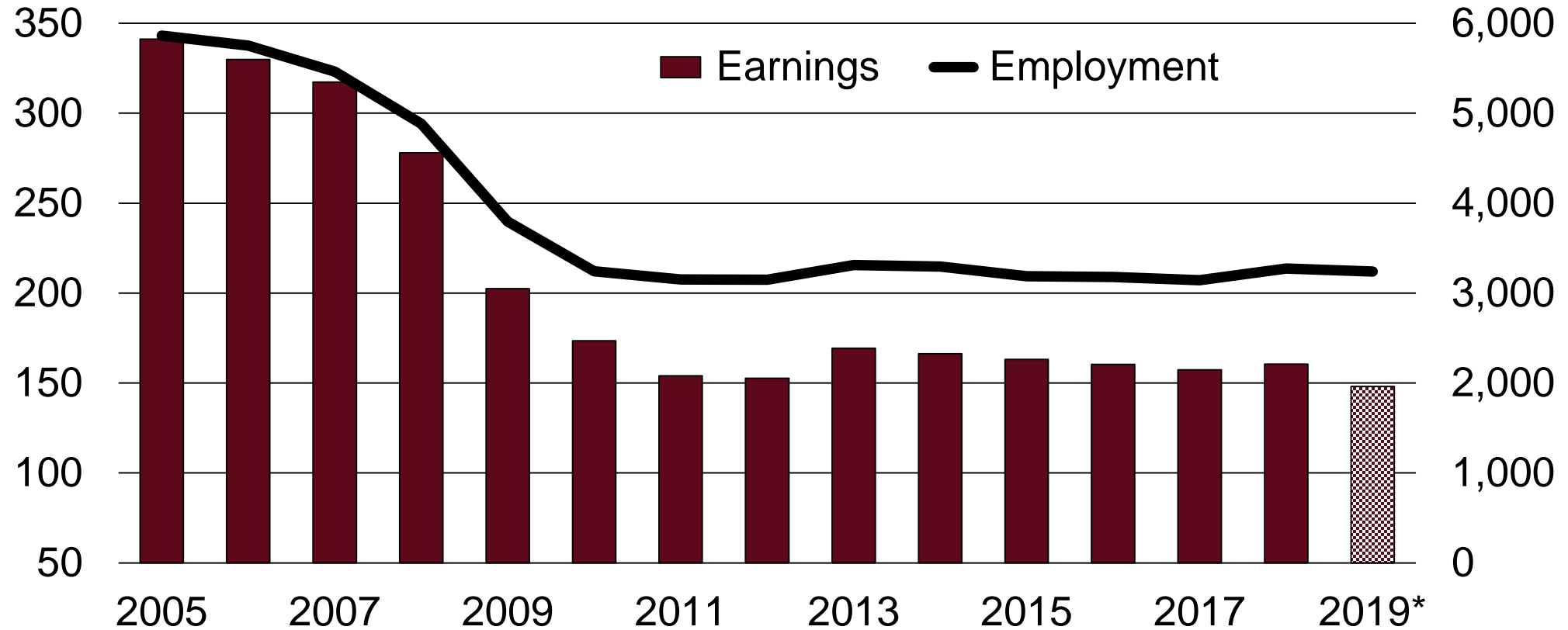
- Mostly small, privately held
- **Most don't own forest land**
- Nearly all rely on timber from public lands



Montana Wood & Paper Manufacturing

Million \$

Jobs



Sources: Bureau of Economic Analysis, Western Wood Products Association, BBER.

*2019 Estimated.



Montana Forest Industry (Private Sector)

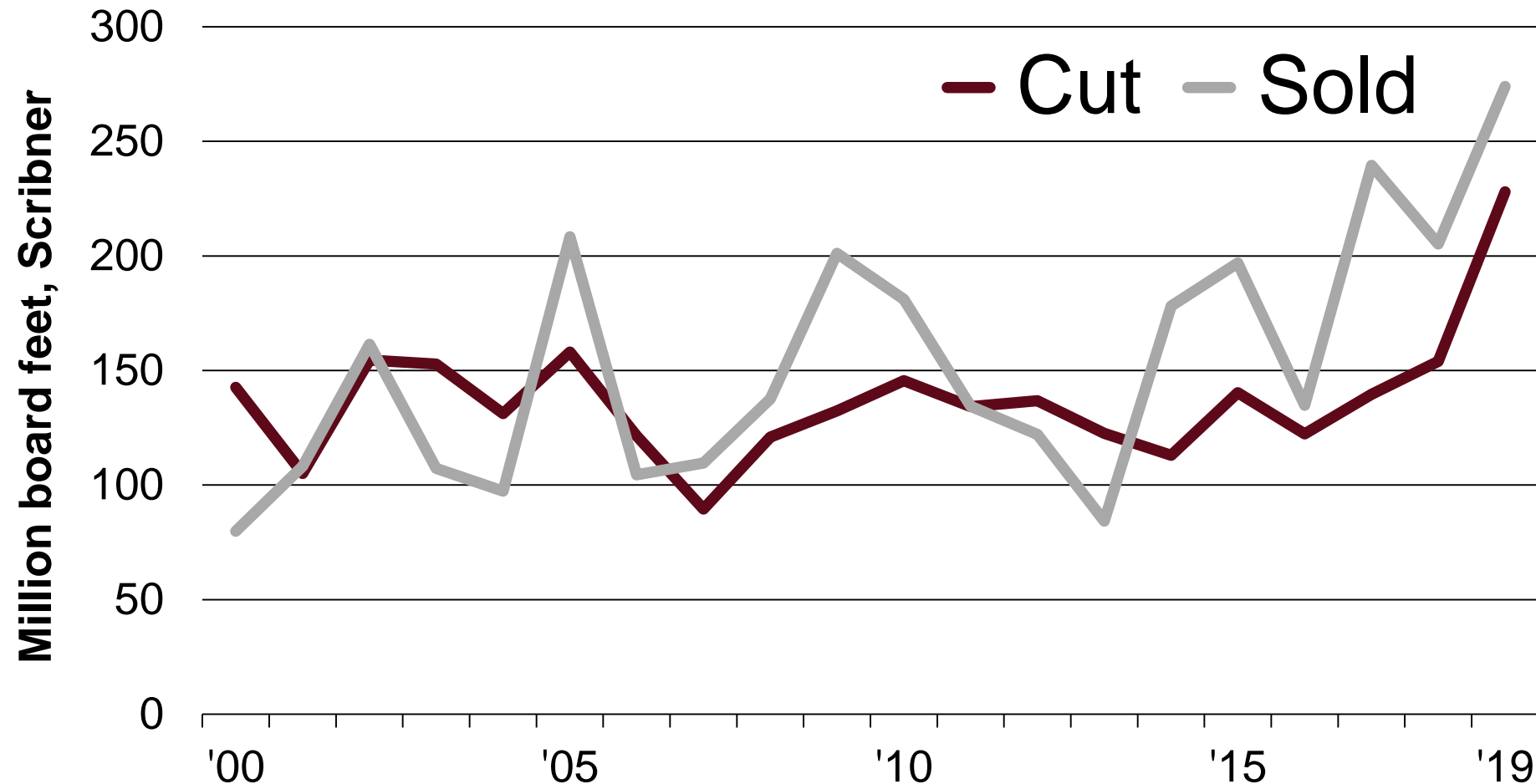
	<u>2004</u>	<u>2010</u>	<u>2019*</u>
Workers (mills & forest)	10,006	7,030	8,022
Earnings (millions)	\$508	\$305	\$365
Primary sales (millions)	\$1,577	\$516	\$520
Lumber production (MMBF)	985	503	480

Sources: Bureau of Economic Analysis, Western Wood Products Association, BBER.

*2019 estimated



National Forest Timber in Montana



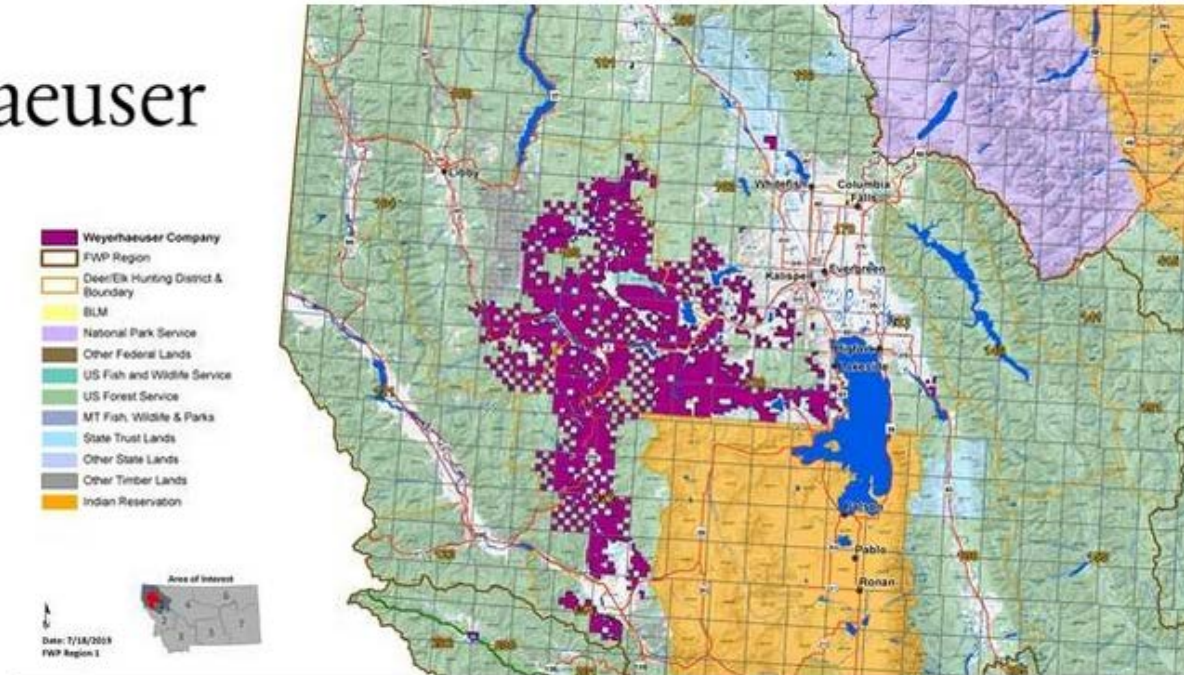
Source: USDA Forest Service.



Pending Timberland Sale



- 630,000 acres
- \$145 million
- 2nd quarter 2020
- Mostly in northwestern Montana
- to Southern Pine Plantations



Thank you!

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