

State of Michigan's Forest Products Industries

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- Michigan DNR
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Presentation Outline

- Introduction – Supply Chain Perspective
- Timberlands
- Owners and Activities
- Forest Products
- Economic Role of Forest Products Industries
- Concluding Comments



Introduction – Supply Chain(s) Perspective

Policy/activity areas:
Markets/Outputs
Capital/Investment
Labor
Wood/Fiber



**Secondary
Industries**



**Primary
Industries**

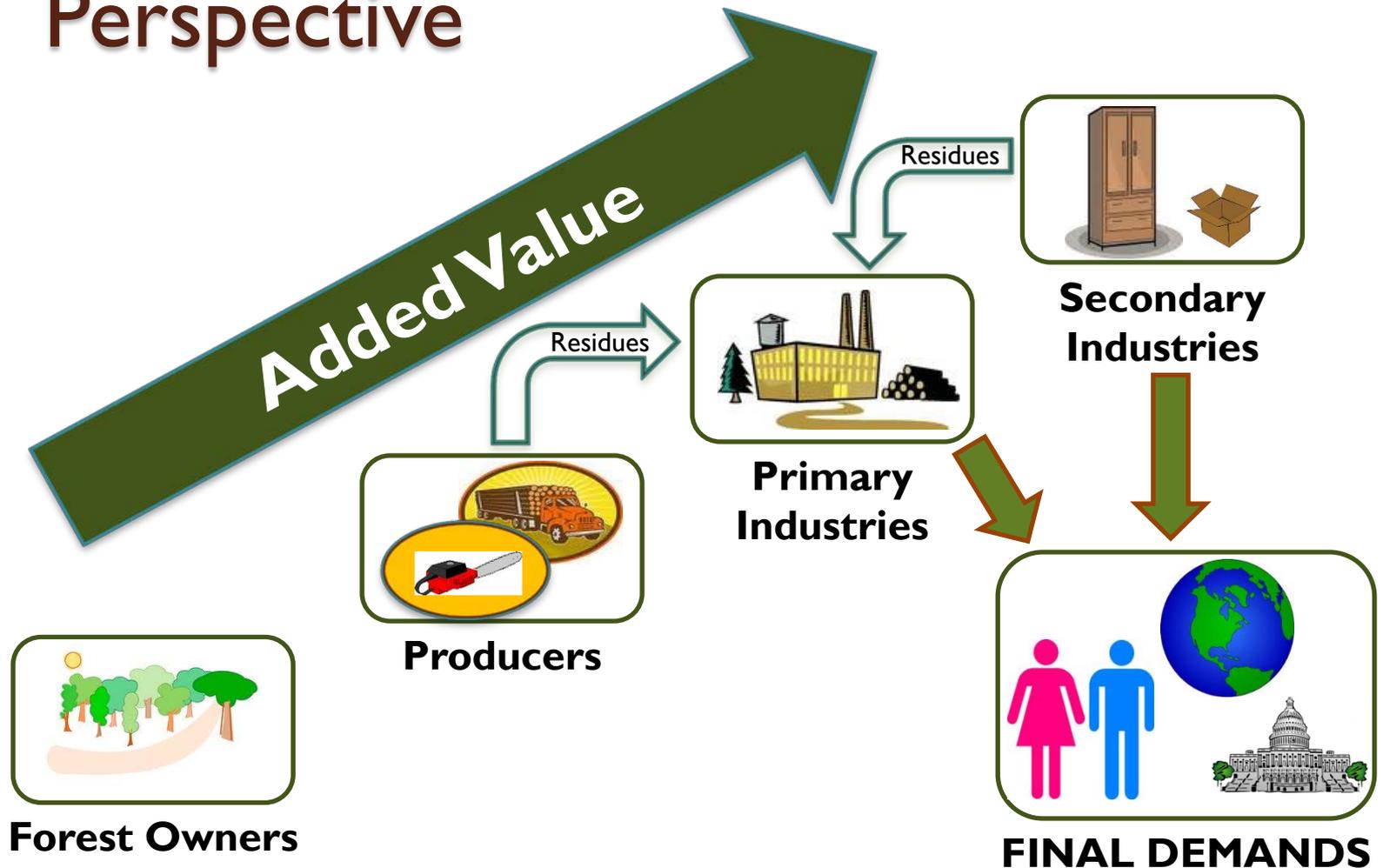


Producers



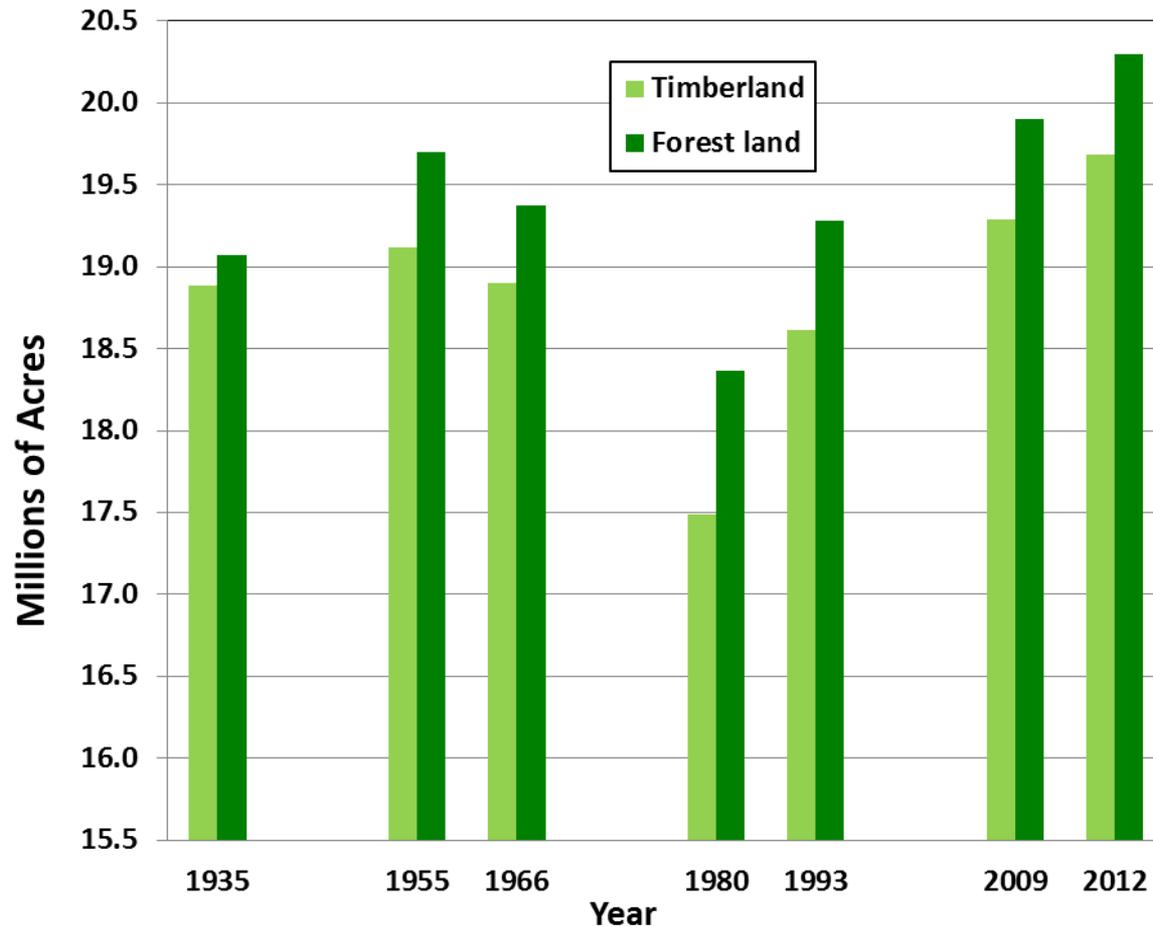
Forest Owners

Introduction – Supply Chain(s) Perspective



Timberlands

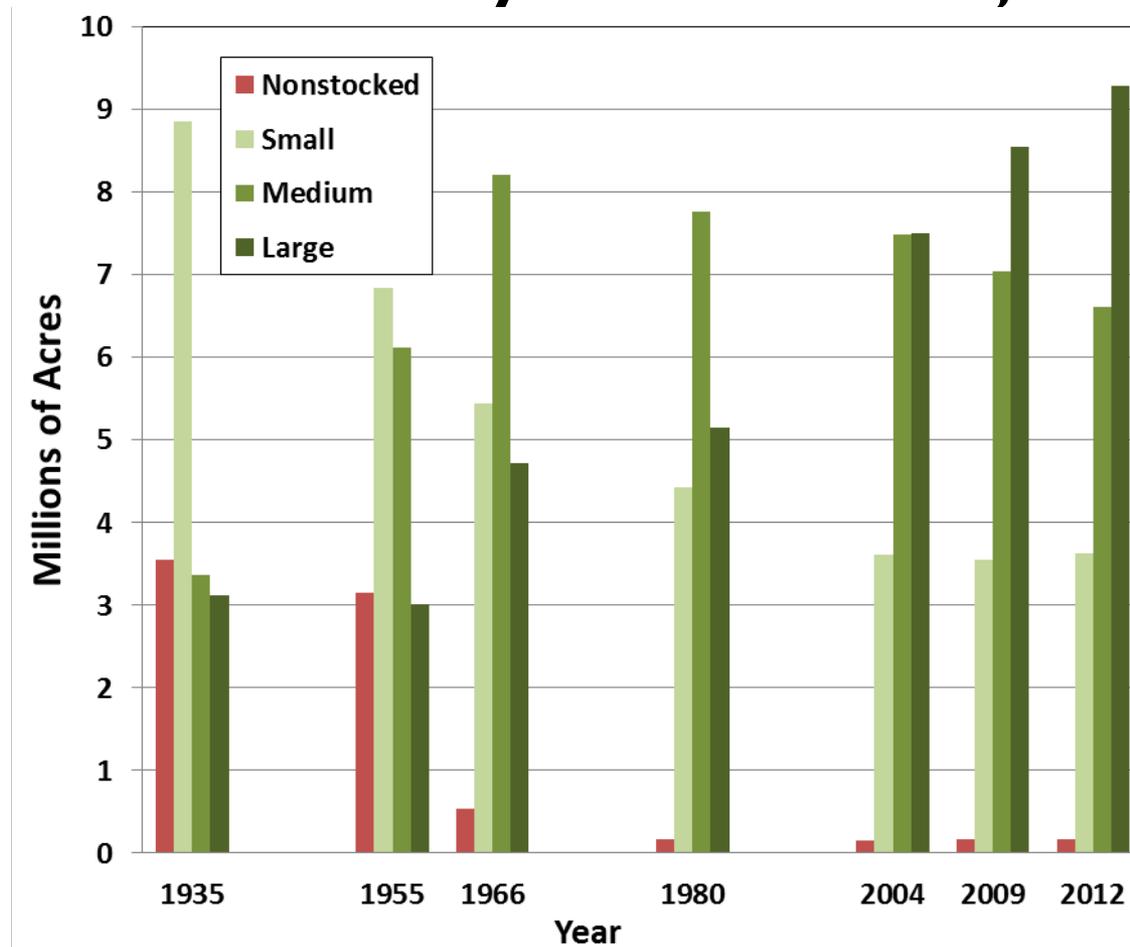
Forest land and timberland area, 1935-2012



Source: Pugh, 2013

Timberlands

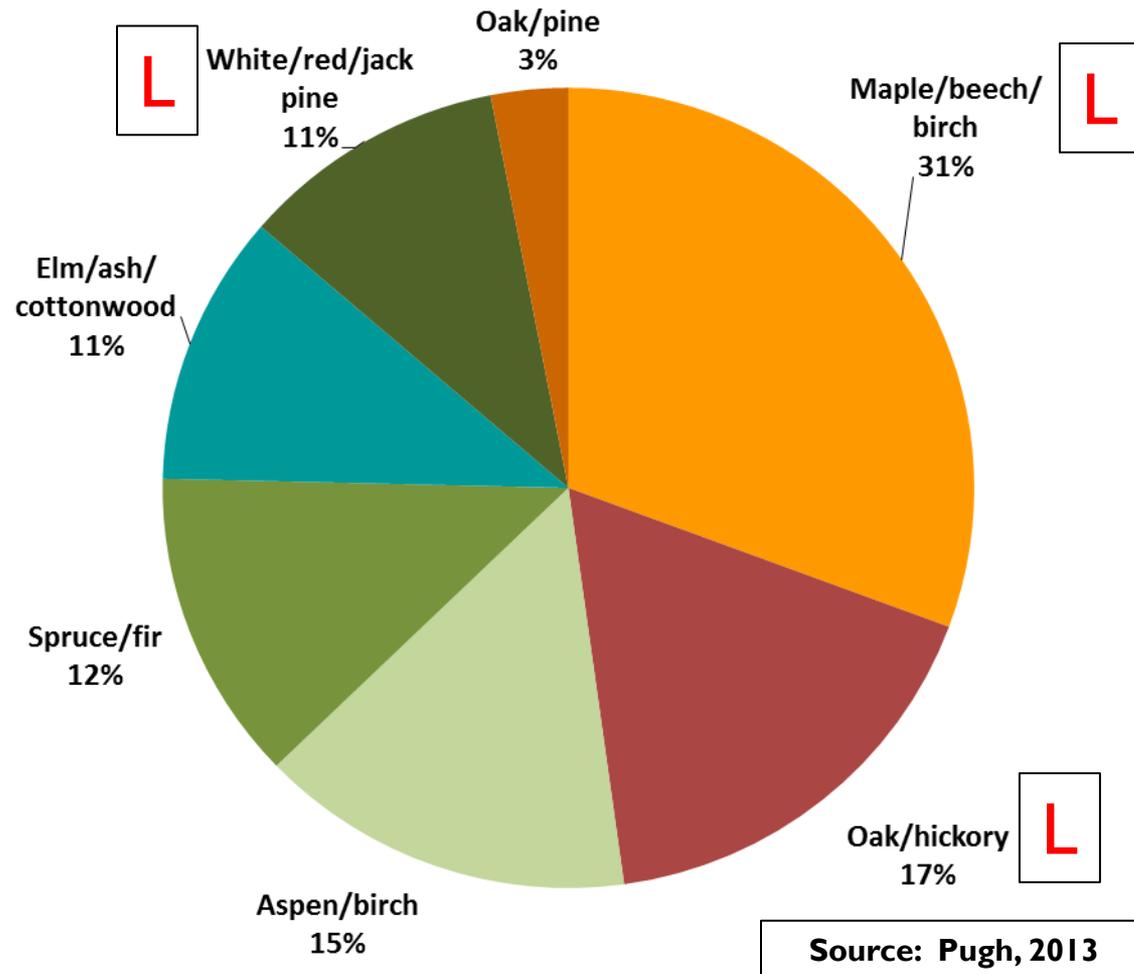
Timberland area by stand-size class, 1935-2012



Source: Pugh, 2013

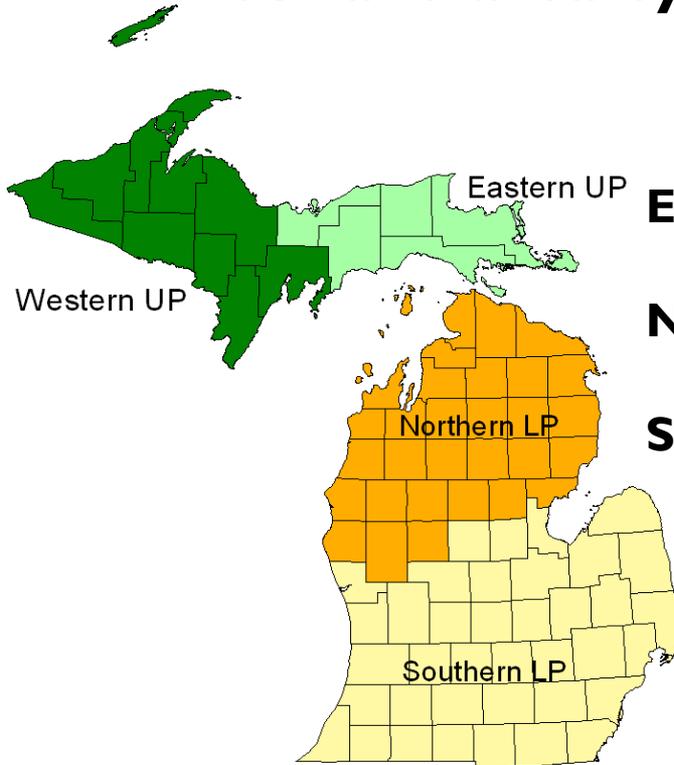
Timberlands

Timberland area by forest type groups, 2012



Timberlands

Timberland area by region, 2012



Eastern and Western Upper Peninsula

Forestry, mining, tourism, and gov't services

Northern Lower Peninsula

Recreation, tourism, weekend/summer surge

Southern Lower Peninsula

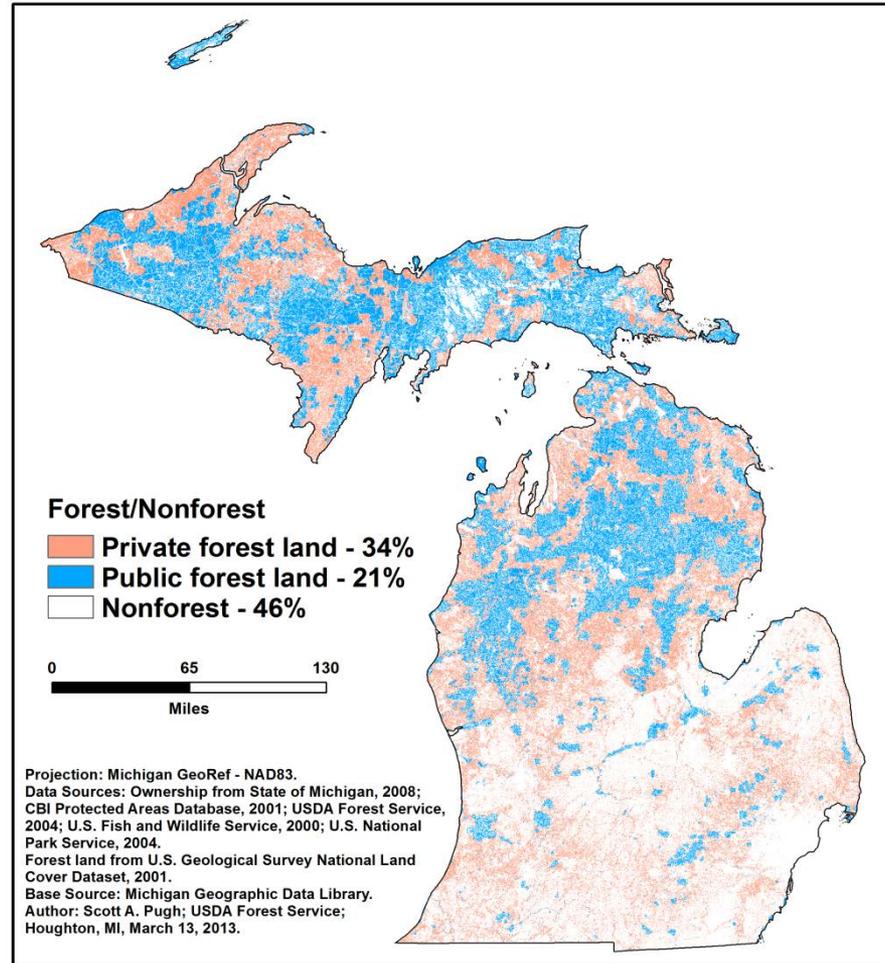
Woodlots, farming, industrial and urban centers

Million Acres

Western UP	4.6	23.5%
Eastern UP	4.0	20.6%
Northern LP	7.4	37.4%
Southern LP	3.6	18.4%
Total	19.7	100.0%

Source: Vasievich, 2013

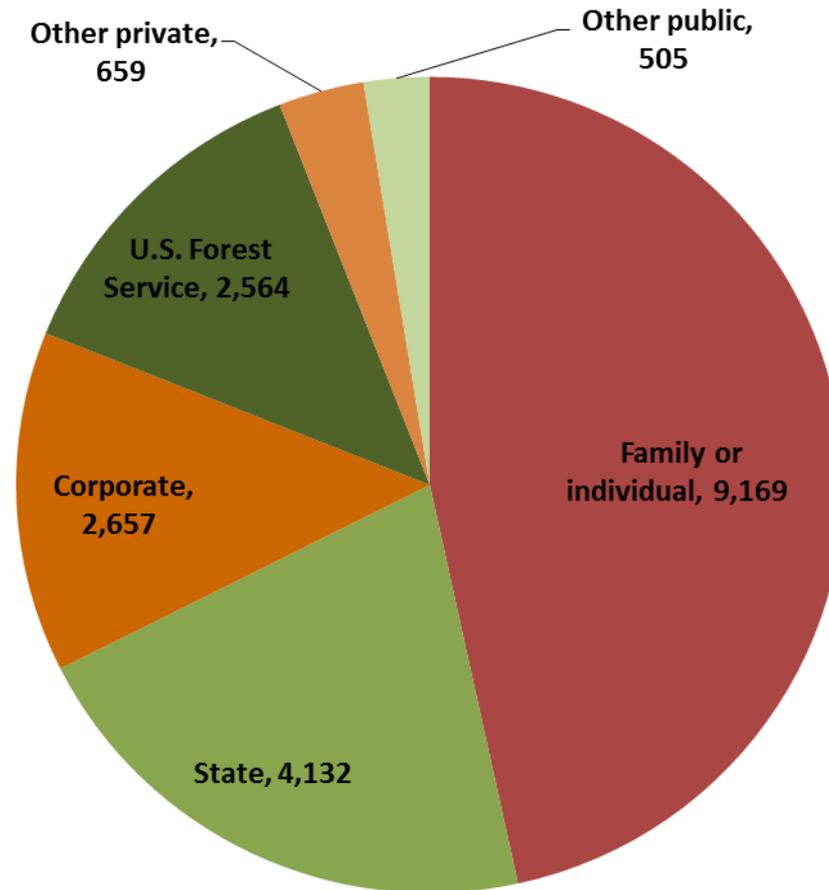
Forest/Nonforest lands, 2008



Source: Pugh, 2013

Timberlands

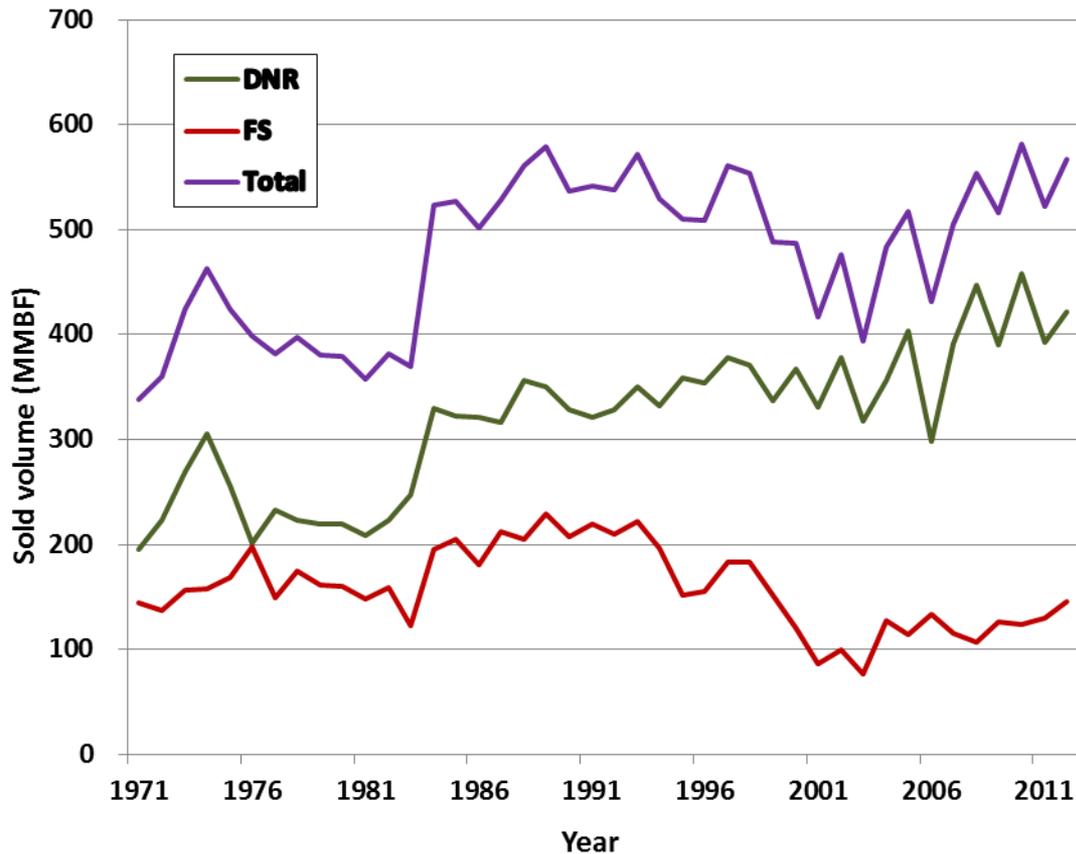
Timberland area by ownership (1,000 ac.), 2012



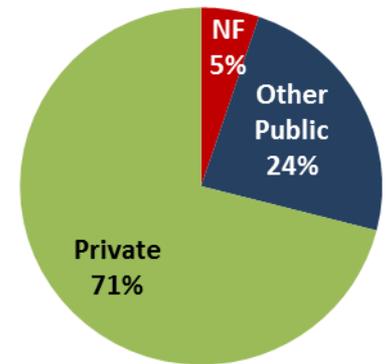
Source: Pugh, 2013

Owners and Activities

Timber sold volumes, MDNR and USDA-FS



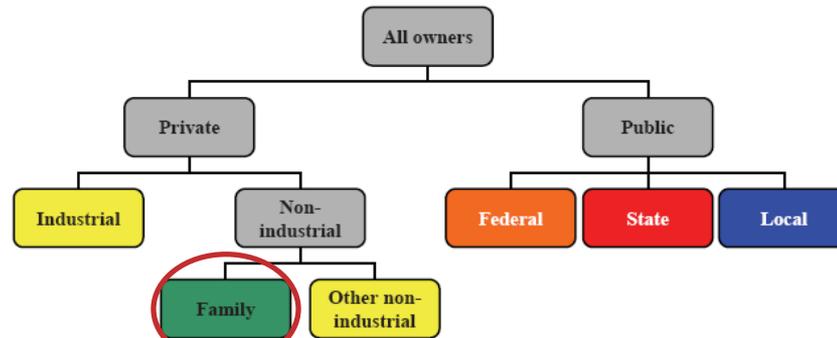
% Roundwood product volume, 2012



Owners and Activities

Private family forest ownership, 2006

- Almost
- Over 4
- 49,000
2.7 mill
- 40,000
next 5 years (representing 2.2 million acres)
- Reasons for owning forest land (area/owners)
 - To enjoy beauty or scenery (#1/#1)
 - Part of home or vacation home (#2/#2)
 - Privacy (#3/#3)
 - Hunting/fishing (#4/#6)
 - **Timber production (#10/#11)**

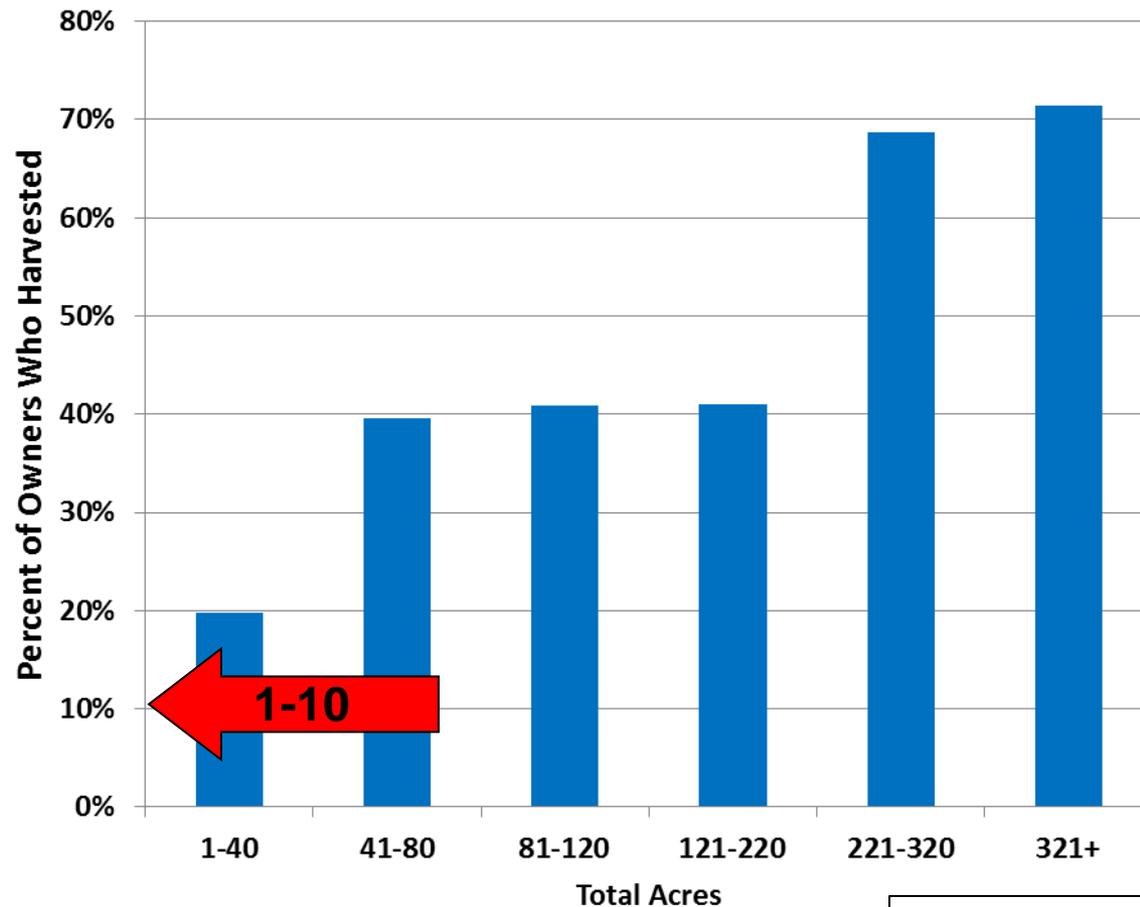


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vlogs over the

Owners and Activities

Timber harvesting by total area owned, 2003

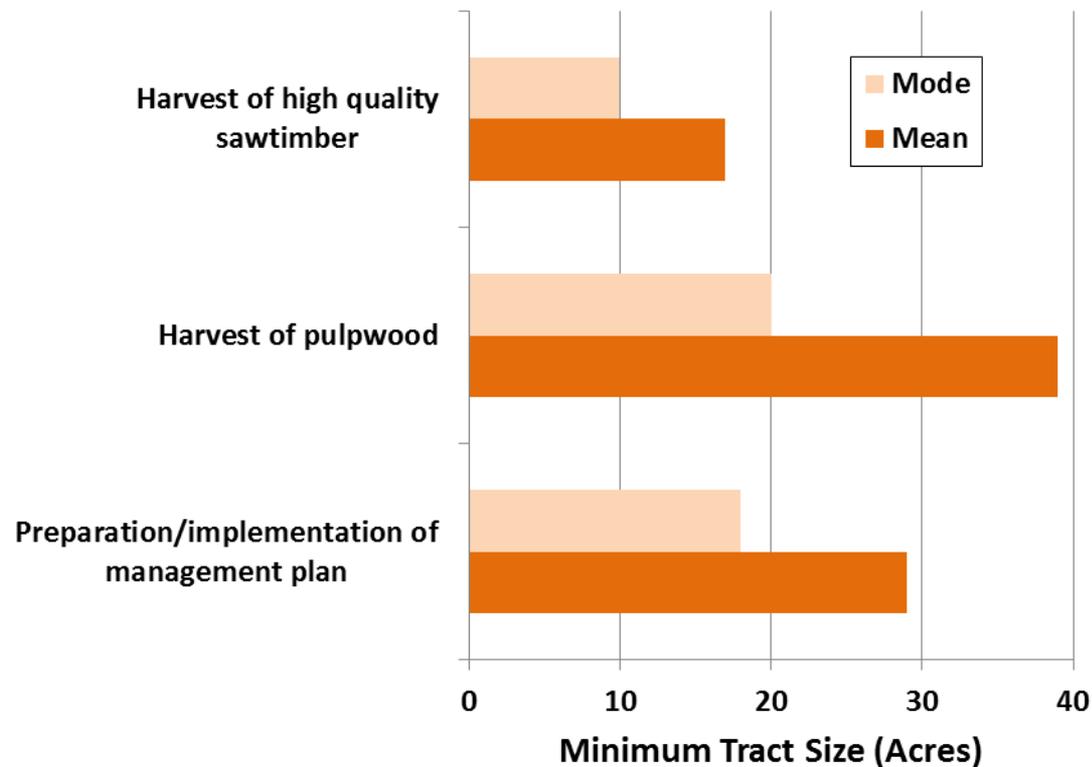


Potter-Witter, unpublished 2003
NIPF survey data

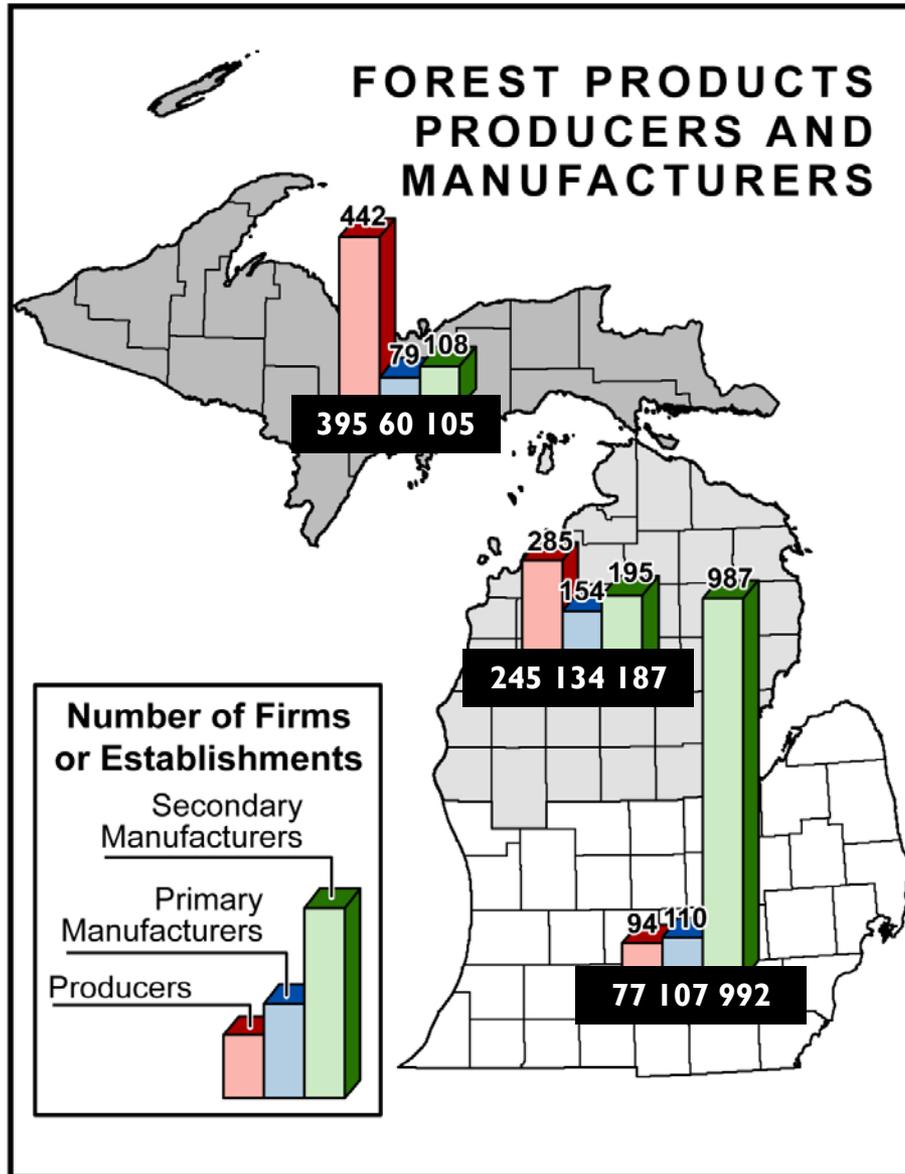
Owners and Activities

Minimum parcel size for activities, 2012

(Private sector responses, MACF/MAT/MSAF)



Forest Products



Number of firms, 2006
2013

Producers = Loggers

Primary = firms that directly use logs & chips

Secondary = firms that use material from primary



Leefers, 2009 and MDNR, 2013

Forest Products

Location of primary mills and harvest removals

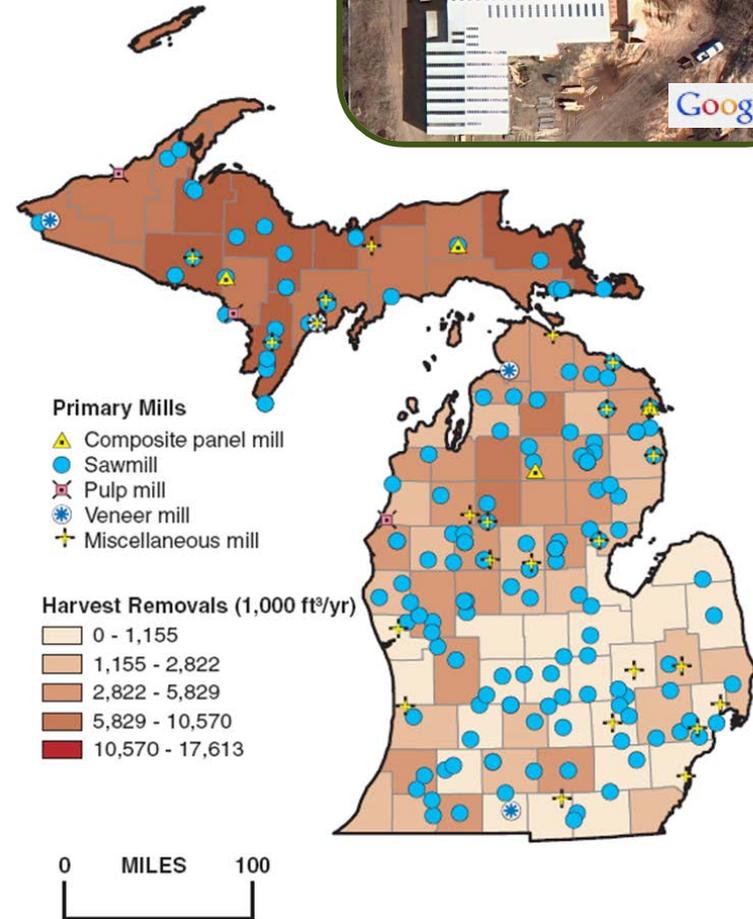
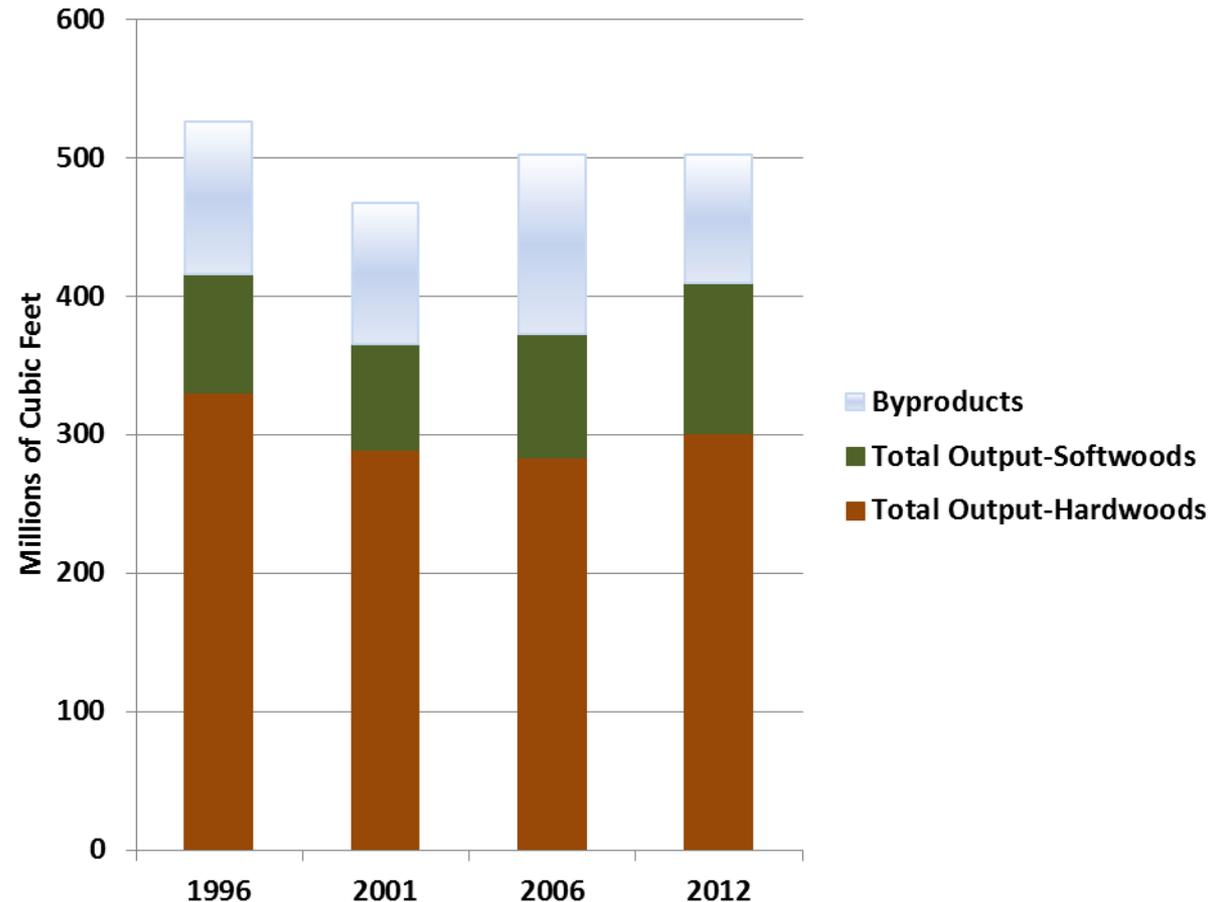


Figure 49.—Location and type of primary wood-using mills in Michigan (2008) overlaid on average annual harvest removals (2005-2009) from FIA plot data (see Map Descriptions and Acknowledgements in Statistics, Methods, and Quality Assurance).

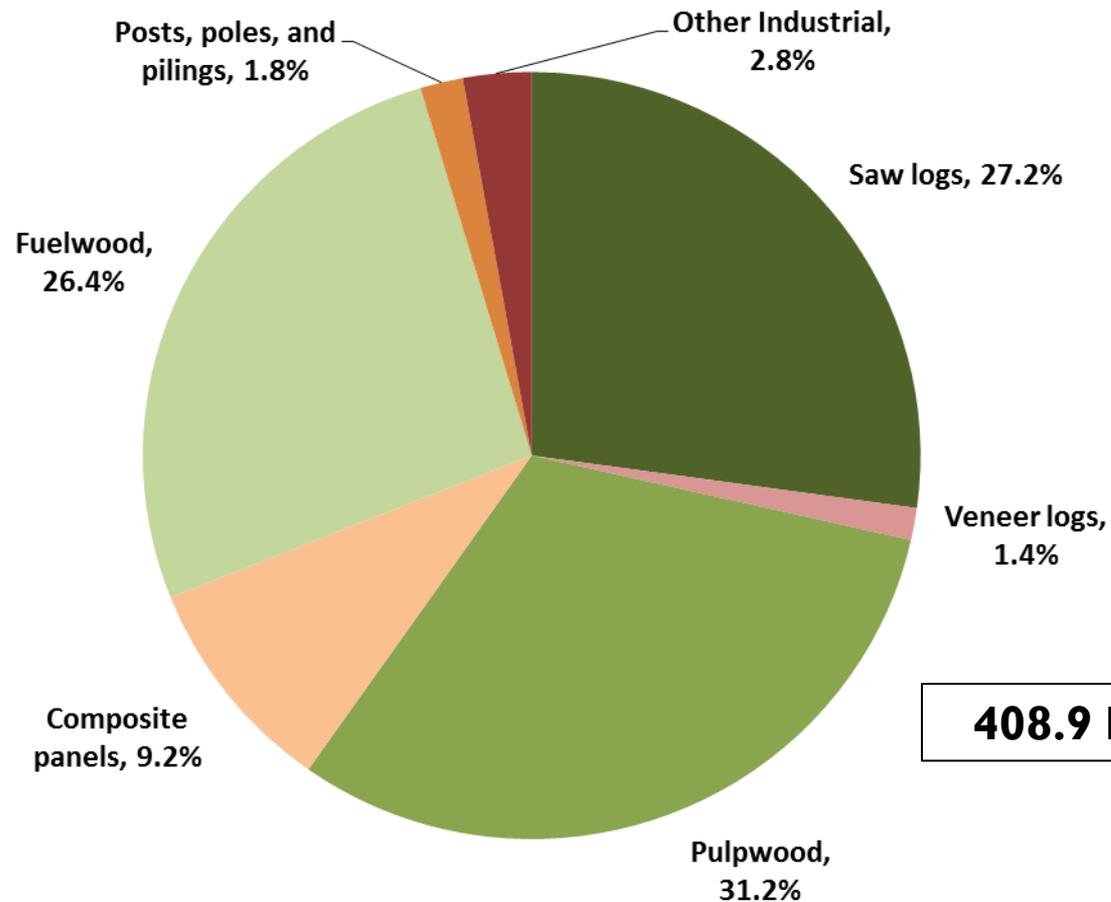
Forest Products

Volume of roundwood products, 1996-2012



Forest Products

Industrial roundwood products (%), 2012



408.9 MMCF

USDA-FS TPO, 2013

Forest Products



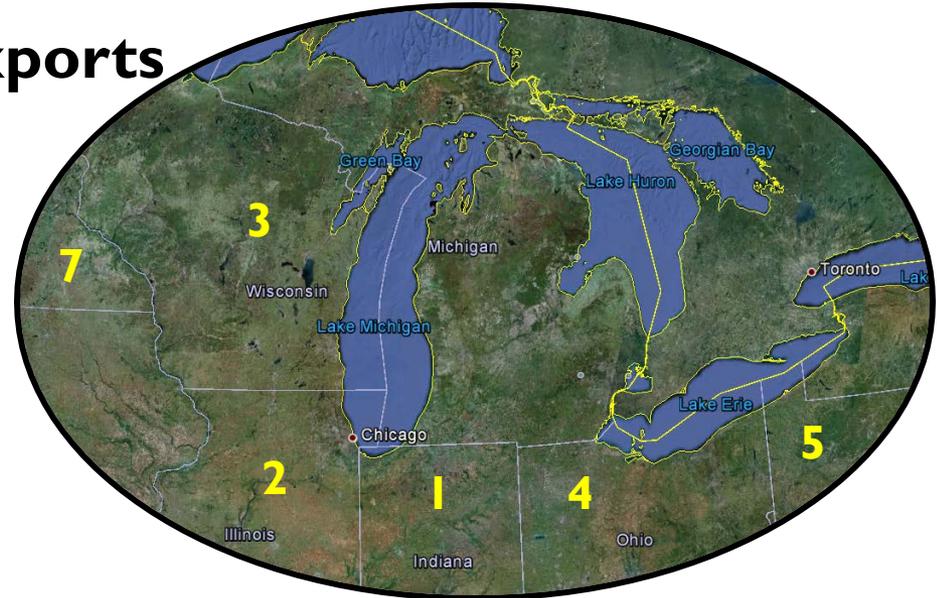
Economic Role of Forest Products Industries

- Approximately...
 - 27,600 direct jobs
 - \$1.3 billion in employee compensation
 - \$8.1 billion in total output
- ~\$14.6 billion contribution to the state's economy

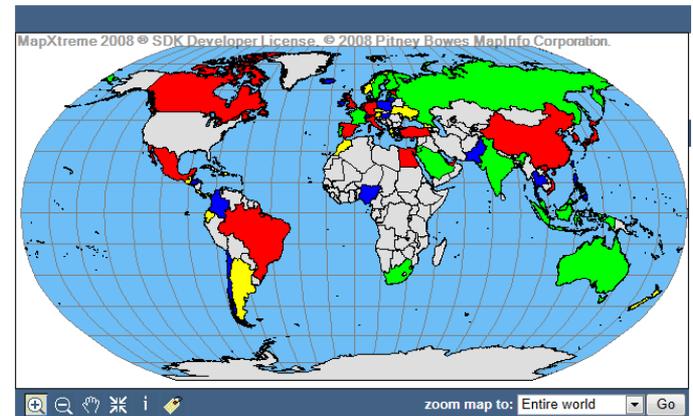
Economic Role of Forest Products Industries

Wood products exports

\$1.9 billion in domestic exports in 2007



\$146 million in international exports in 2012

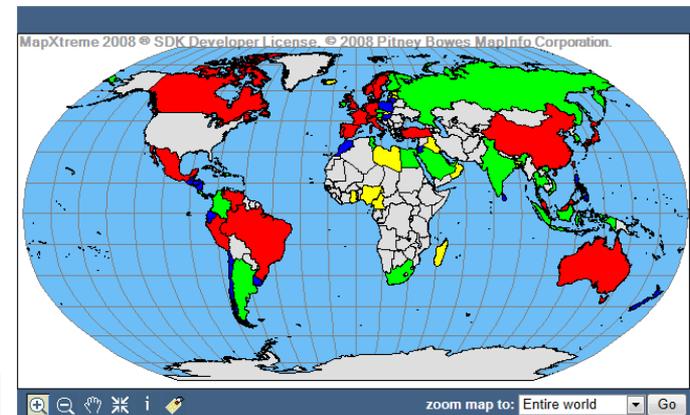
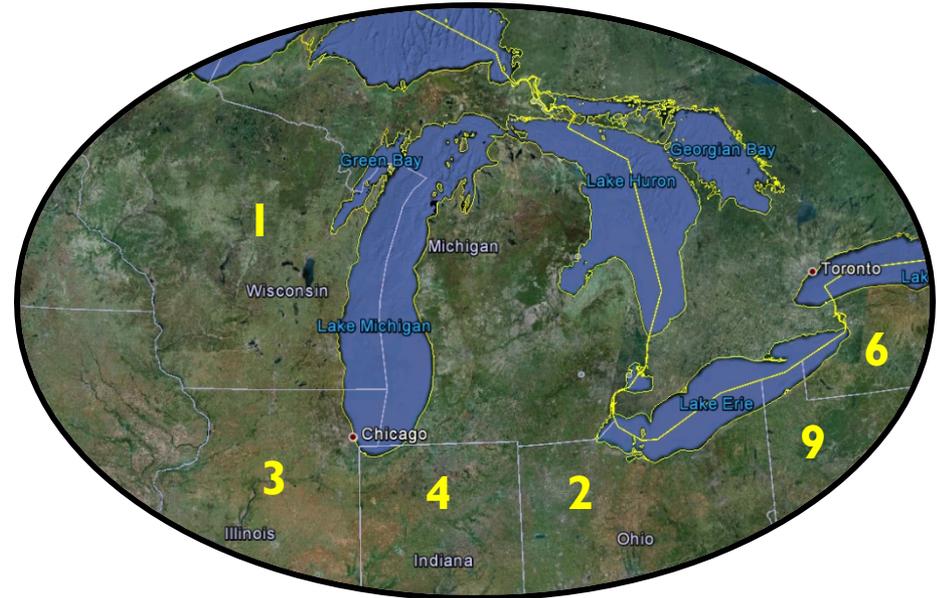


Economic Role of Forest Products Industries

Paper exports

\$3.4 billion in domestic exports in 2007

\$370 million in international exports in 2012



Quiz

If you increase sales/output \$100 million, which sectors will generate the most additional output?

1. Sawmills and wood preservation
2. Wood kitchen cabinet and countertop manufacturing
3. Veneer and plywood manufacturing
4. Engineered wood member and truss manufacturing
5. Wood windows and doors and millwork manufacturing

Quiz

If you increase sales/output \$100 million, which sectors will generate the most jobs?

1. Pulpmills
2. Paperboard mills
3. Paper mills
4. Sanitary paper product manufacturing
5. Sawmills and wood preservation

Concluding Comments

- Forest products industries are part of the fabric of Michigan—who knows this?
- Diverse forests & diverse forest products
- Have a growing resource; need a growing industry
- Certification/Chain of Custody
- What are the expanding and new markets?
- What do we need to do?
- Thoughtful policies and actions

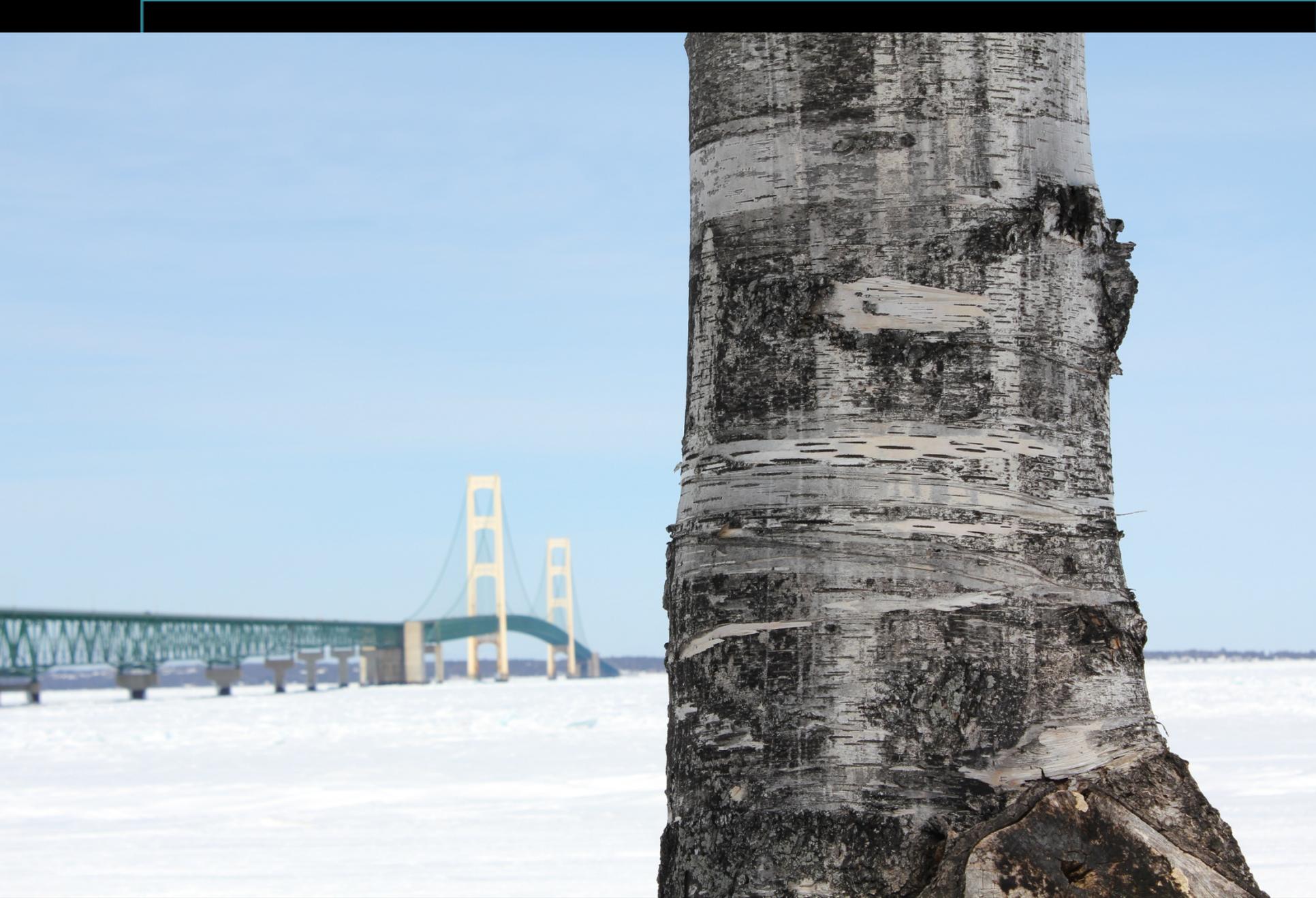


Photo credit: Emily Walker