



Economic Contributions of Arkansas Forestry 2016



UofA **DIVISION OF AGRICULTURE**
RESEARCH & EXTENSION
University of Arkansas System



Arkansas Forestry

Direct economic impacts to Arkansas for 2016

Sector	Employment	Output	Employee Compensation	Value-added	Average compensation
Forestry	471	\$ 52,667,816	\$ 12,369,279	\$ 29,882,633	\$ 26,284
Logging	4,460	\$ 468,169,220	\$ 101,039,253	\$ 279,242,247	\$ 22,656
Solid Wood Products	10,030	\$ 2,789,646,203	\$ 458,286,721	\$ 822,528,978	\$ 45,692
Furniture	2,890	\$ 445,861,258	\$ 105,856,977	\$ 132,492,427	\$ 36,628
Pulp & paper	10,207	\$ 6,773,867,424	\$ 779,721,582	\$ 1,594,313,527	\$ 76,392
Totals	28,057	\$ 10,530,211,921	\$ 1,457,273,813	\$ 2,858,459,813	\$ 51,939
State	1,576,163	\$257,616,238,685	\$ 61,232,897,247	\$123,276,507,301	\$ 38,849

(2014 IMPLAN data reported in 2016 dollars)

Note that Arkansas is four times as dependent on the forest industry as the entire USA, and that the average compensation for forestry is greater than the national average of \$49,971, or is 104 percent of the national average employee compensation.

Payments to landowners for timber harvested each year is more than \$350 million dollars. Most of this revenue is paid to private forest landowners, who own 83 percent of the timberland in Arkansas.

Forest industry contribution to state economy, 2016

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	28,057	\$ 1,664,563,171	\$ 2,968,809,841	\$ 10,910,444,214
Indirect Effect	18,256	\$ 992,132,754	\$ 1,725,609,106	\$ 3,305,911,373
Induced Effect	23,499	\$ 941,070,049	\$ 1,652,162,163	\$ 2,782,768,031
Total Effect	69,812	\$ 3,597,765,974	\$ 6,346,581,109	\$ 16,999,123,618

Output is the value of all shipments. Because forest industry sectors ship to each other, output measures would include substantial double counting of economic benefits.

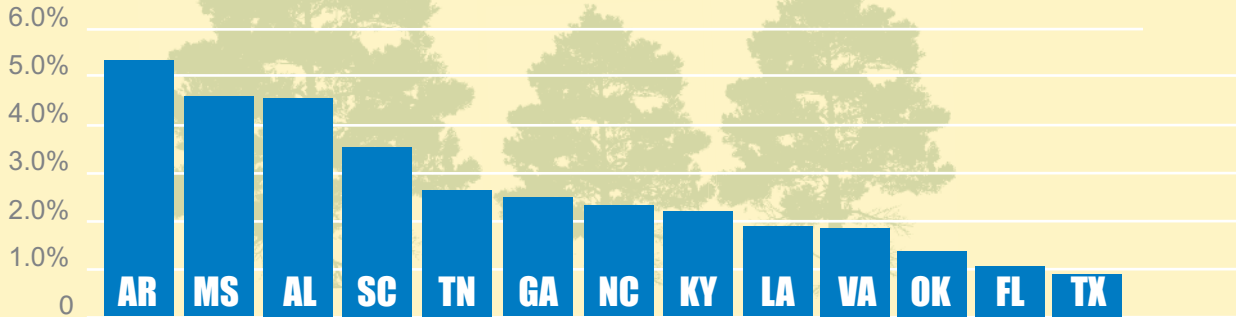
Value-added is labor income plus indirect taxes and other property-type income such as payments for rents, royalties, and dividends. Value-added and gross domestic product, or GDP, are equivalent measures in theory but are estimated using different methods and data sources.

Labor income includes proprietary income to self-employed individuals and employee compensation (all payment to workers including benefits). That is why direct employee compensation is \$1.457 billion but labor is \$1.664 billion.

**The total
value-added impact is
\$6.3 billion
in 2016.**

Forestry's Economic Contribution to Southern States

Of all the 13 southern states, forestry makes the greatest contribution to Arkansas' economy.

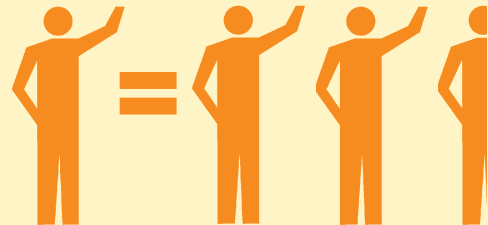


(Journal of Forestry, March 2015)

The standing timber in Arkansas' forests has a value of more than \$12.6 billion -- that's in addition to the value of outdoor recreation and tourism. And no value can be placed on Arkansas forestlands' role in maintaining clean air, clean water, nutrient cycling and wildlife habitat.

Creating jobs

Every new job in forestry creates 2.5 jobs in the state. Forest industries provide jobs in 86% of all economic sectors in Arkansas – the forestry economy is deeply integrated in the state.



Arkansas timber value

\$12.6 billion

Arkansas' Timberlands

Timberland by major cover type and origin in acres

Type	Natural regeneration	Artificial regeneration	Total
Softwoods	3,079,252	3,019,822	6,099,074
Oak/Pine	1,661,741	206,252	1,867,993
Upland Hardwoods	7,476,644	146,996	7,623,640
Bottomland hardwoods	2,580,971	167,804	2,748,775
Non-stocked	133,303	19,616	152,919
Totals	14,931,911	3,560,490	18,492,401

(2015 Forest Inventory and Analysis Data)

Timberland by major cover type and origin in acres.

Type	Natural regeneration	Artificial regeneration	Total
Softwoods	3,867,388	436,348	4,303,736
Oak/Pine	2,711,198	283,701	3,994,899
Upland Hardwoods	6,418,294	155,159	6,573,453
Bottomland hardwoods	2,804,917	20,240	2,825,157
Non-stocked	10,099	0	10,099
Totals	15,811,896	895,488	16,707,344

(1979 FIA Data)

Growing stock on Arkansas's timberlands, in tons.

Year	Softwoods	Hardwoods	Total
1978	247,316,916	323,925,065	571,241,981
2015	366,783,139	532,821,331	899,604,470
% change	+ 48 %	+ 64 %	+ 57 %

Arkansas timberland annual net growth vs. removals in 2015, in tons.

Major species group	Net growth	Removals	Surplus	Net growth as a % of removals
Softwoods	22,713,230	13,098,666	9,614,564	173 %
Hardwoods	11,673,466	6,588,304	5,085,162	177 %

Note that “timberland” is a slightly more restrictive measure than “forestland.” Timberland has the capacity to grow 20 cubic feet of timber per acre per year. Forestland merely has to be land supporting forest cover, but has no productivity qualification.

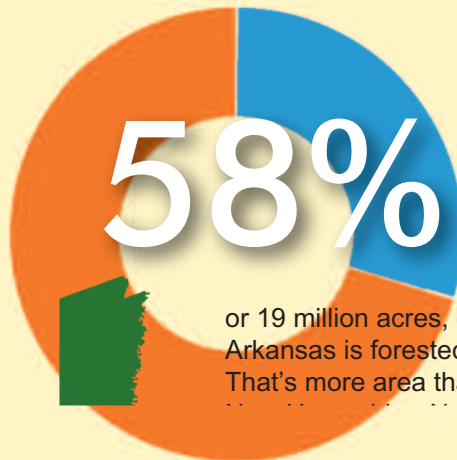


Learn more at:
www.afrc.uamont.edu
www.uamont.edu/sfnr
 or contact your county Extension Office.

Who owns Arkansas' timberlands?

OWNERSHIP GROUPS	ACRES
Federal	
National Forests	2,429,106
Department of Defense	267,725
Other Federal	2,389
Total Federal	2,699,220
State	395,980
Local and other public	76,458
Private	15,320,743
Total	18,492,401

Private owners include timber industry, institutional owners such as real-estate investment trusts and timber investment/management organizations, institutional organizations and trusts, and family- and individual ownerships.



or 19 million acres, of Arkansas is forested. That's more area than



Image by Jeff Newton

The University of Arkansas System Division of Agriculture, through its Arkansas Forest Resources Center, a system-wide Center of Excellence, and the School of Forestry and Natural Resources at the University of Arkansas at Monticello, partner to conduct real-world research, education and outreach, to help strengthen this growing industry in Arkansas. To find out more about what we can do for this valuable sector, contact the School or Center at forestresources@uamont.edu, or 870-460-1052.

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