



Kentucky Forestry Economic Impact Summary 2014

FORFS 15-01

Forest industry is the most significant agricultural revenue sector in Kentucky. The \$12.8 billion produced by the forestry sector in 2014 was also significant compared to many economic drivers in the Commonwealth. This fact sheet provides an executive summary of this important industry; a complete report is available at www.ukforestry.org.

2014 Economic Importance of Kentucky's Forest and Wood Industry

\$12.8 billion total economic impact with \$8.3 billion in direct revenue

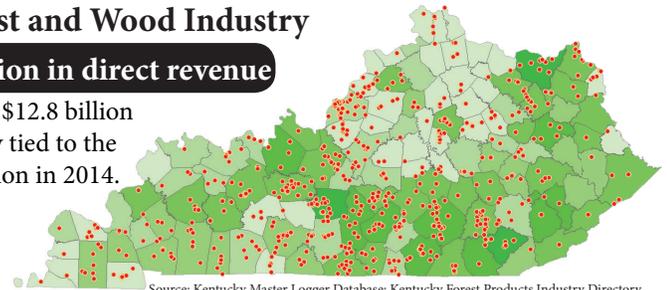
The \$8.3 billion in direct impact represents revenue while the \$12.8 billion reflects an additional \$4.5 billion in economic activity directly tied to the forest and wood industry. Direct revenue increased \$400 million in 2014.

57,753 total jobs with 28,202 directly employed

Total forestry related jobs represent 2.4% of employment.

Leading producer of hardwood sawlogs in the South

762 million board feet of logs and 1.365 million tons of pulpwood.



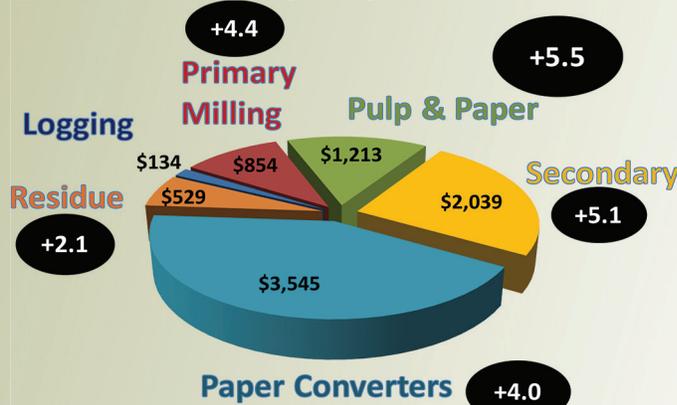
Source: Kentucky Master Logger Database; Kentucky Forest Products Industry Directory

Kentucky Wood Industries and Master Logger Distribution 2014

Dots represent the 703 wood industry facilities in Kentucky. Intensity of county shading indicates the relative density of Kentucky Master Loggers. The darker the county the more Master Loggers.

Forestry Sectors \$Millions (direct)

Black circled numbers represent percent change from 2013



Source: IMPLAN Analysis of 2012 data adjusted for 2014 using 2014 forestry sector employment

Forestry Sub-Sectors

The forestry sector is comprised of a range of industries including logging, primary that includes sawmilling, secondary industries that manufacture finished wood products; pulp and paper production; paper converters that manufacture paper products; and residues such as bark mulch. In 2014, sub-sectors increased from 2.1 to 5.5% with the exception of logging that remains highly volatile.

2013 to 2014 Grade 1 Delivered Log Prices

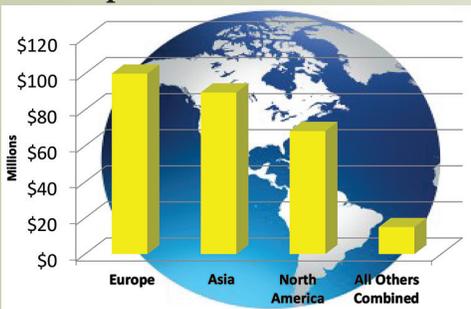
Species	2013 (Q 4)	2014 (Q 4)	Change
	\$ per MBF		%
Ash	562	587	+ 4
Hickory	409	564	+ 27
Hard Maple	793	831	+ 5
Red Oak	662	787	+ 16
White Oak	812	804	- 1
Walnut	1,443	1,606	+ 10
Yellow-Poplar	418	512	+ 18

Source: Kentucky Division of Forestry Growing Gold

Commodity Pricing

In 2014 all primary commodities with the exception of logs for railway cross ties increased compared to 2013. Stave logs for barrels increased 10%, pulpwood was up 1%, and the bread and butter of Kentucky's primary products, logs for lumber production, increased 11% over 2013. While tie logs decreased 7.5%, demand was stable.

Export Destinations 2014



Kentucky's Forest Products Exports

Kentucky's forest products exports grew to over \$272 million, a 29% increase compared to 2013. The leading exports were wooden barrels and barrel parts at more than \$96 million. Europe and Asia were the top export destinations for Kentucky's forest products at \$100 and \$89 million respectively.