



Forest2Market®

The Economic Impact of Alabama's Working Forests

The Study

- Quantifying the economic contributions of working forests—from the forest to the market—to local communities
- Produce data—never before available—to be used in advocacy situations
- Make sure policy makers know the data

Alabama--Employment

Industry	Direct Employment	Multiplier	Direct, Indirect and Induced Employment
Forestry & Logging	5,991	--	NA
Wood Products	20,240	3.3146	67,088
Paper Products	10,611	5.4802	58,148
Furniture	8,217	2.2988	18,890
Totals	45,059		144,125

- Direct Employment: U.S. Census Bureau, 2006 County Business Patterns
- Multiplier: RIMSII Multiplier from the Bureau of Economic Analysis

Alabama--Average Salary

Industry	Average Salary
Forestry and logging	\$31,389
Wood products	\$31,515
Paper products	\$61,826
Furniture	\$30,507



Alabama--Payroll

Industry	Annual Direct Payroll	Multiplier	Direct, Indirect and Induced Payroll
Forestry & Logging	\$188,056,000	-	NA
Wood Products	\$637,871,000	3.1145	\$1,986,649,230
Paper Products	\$656,038,500	3.1436	\$2,062,322,629
Furniture	\$250,674,210	2.4067	603,297,643
Totals	\$1,732,639,719		\$4,652,269,501

- Direct Employment: U.S. Census Bureau, 2006 County Business Patterns
- Multiplier: RIMSII Multiplier from the Bureau of Economic Analysis

Alabama—Annual Sales

Industry	Annual Sales
Forestry & Logging	\$671,712,796
Wood Products	\$4,838,887,000
Paper Products	\$6,455,495,850
Furniture	\$1,497,722,000
Sales of electricity generated from wood waste	\$300,053,610
Total	\$13,763,871,256

Source: Forest Inventory and Analysis Program's Timber Product Output database; U.S. Census Bureau, Value of Shipments; Energy Information Administration, Department of Energy

Alabama—GDP

State GDP: \$158,858,000,000

Industry	Contribution to GDP	Percentage of State GDP
Forestry & Logging	\$732,000,000	0.46
Wood Products	\$1,448,000,000	0.91
Paper Products	\$2,458,200,000	1.55
Furniture	\$711,125,000	0.45
Total	\$5,349,325,000	3.37

Source: Bureau of Economic Analysis, Department of Commerce

Determining Contribution per Acre

- Private working forests account for 98% of all timber production in Alabama.
- Total private acres, 21,302,238, or 94 percent of all Alabama forests.
- Direct, Indirect and Induced Employment (DII)

$$\begin{array}{r} 144,116 \text{ jobs} \\ \times \\ \hline .98 \text{ (private TPO)} \\ \hline \\ 141,243 \text{ jobs} \\ \div \\ \hline 21,302,238 \\ \text{(total private acres)} \\ \hline \\ .0066 \text{ jobs per acre} \\ \text{or} \\ 6.6 \text{ jobs per 1000 acres} \end{array}$$

Payroll per Acre

$$\begin{array}{r} \$4,652,269,501 \\ \times \\ \hline .98 \text{ (private TPO)} \\ \\ \$4,559,224,111 \\ \div \\ 21,302,238 \\ \hline \text{(total private acres)} \\ \\ \mathbf{\$214 \text{ per acre}} \end{array}$$

Annual Sales per Acre

$$\begin{array}{r} \$13,763,871,256 \\ \times \\ \hline .98 \text{ (private TPO)} \\ \\ \$13,488,593,831 \\ \div \\ 21,302,238 \\ \hline \text{(total private acres)} \\ \\ \mathbf{\$633 \text{ per acre}} \end{array}$$

GDP per Acre

$$\begin{array}{r} \$5,349,325,000 \\ \times \\ \hline .98 \text{ (private TPO)} \\ \\ \$4,559,224,111 \\ \div \\ 21,302,238 \\ \hline \text{(total private acres)} \\ \\ \mathbf{\$246 \text{ per acre}} \end{array}$$

Contribution per Acre

	Per Acre Contribution
Employment (DII)	.0066
Payrolls (DII)	\$214

$164 \text{ acres} \times \$214 = \$35,096$

$164 \text{ acres} \times .0066 = 1.1 \text{ jobs}$

Contribution per Acre

	Per Acre Contribution
GDP	\$246
Annual Sales	\$633

$164 \text{ acres} \times \$633 = \$103,812$

$164 \text{ acres} \times \$246 = \$40,344$

To Advocate for Alabama's Forests, Know Two Things

1. Your statewide numbers
2. Your own numbers

The Economic Contribution of Working Forests

- 94 percent of all forests in Alabama are private working forests--21,302,238 acres.
- 98 percent of all timber production in Alabama originates on private working forests.

	Your Acres		Contribution per Acre	=	Contribution of your Forest
Employment (DII)		x	.0066	=	
Payroll (DII)		x	\$214	=	
Contribution to GDP		x	\$246	=	
Annual Sales		x	\$633	=	

	Statewide
Employment (DII)	144,125
Payroll (DII)	\$4,652,269,501
Contribution to GDP	\$5,349,325,000
Annual Sales	\$13,763,871,256



National Alliance of Forest Owners
Investing in the Future of America's Forests



Forest2Market®

Advocacy Is Conversation

- Cite the numbers—statewide and individual—as often as possible in your conversations
- Write, call, email your local, state and federal representatives, citing the numbers and emphasizing the economic contribution.
- Cite the numbers often in public meetings, letters to the editor, in conversations with friends, neighbors, employees, co-workers, etc.



Advocacy Goals

Goal is to inform others that working forests are an integral part of economically healthy communities.

Get the word out to as many people as possible and keep it there.

BCAP

The FSA:

- Approved 5,479 agreements
 - 5,145 for forest-generated material
 - Alabama = 587
- For delivery of more than 4.18 million tons of biomass
- Made payments of \$170,112,607 through April 8, 2010
 - \$152,246,012 for forest-generated material
 - Alabama accounted for \$17,327,660
- Received more than 20,000 comments on proposed rules



1Q2008-1Q2010 Trends

Alabama Stumpage Prices



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