



Labovitz School
OF BUSINESS AND ECONOMICS

Bureau of Business and
Economic Research

Northern Minnesota Forestry Analysis Update

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Project Description

- Update the Bureau of Business and Economic Research's (BBER) 2001 estimate of the importance of the forestry industry in the northern forest regions of Minnesota.
 - Measure the importance of forestry to Northern Minnesota.
 - Update the report of the economic base and provide comparisons between the 2001 and 2011 studies where possible.
 - Briefly analyze regional economic trends.
 - Update the community of Cook-Orr data, which was selected for separate analysis in the 2001 study.

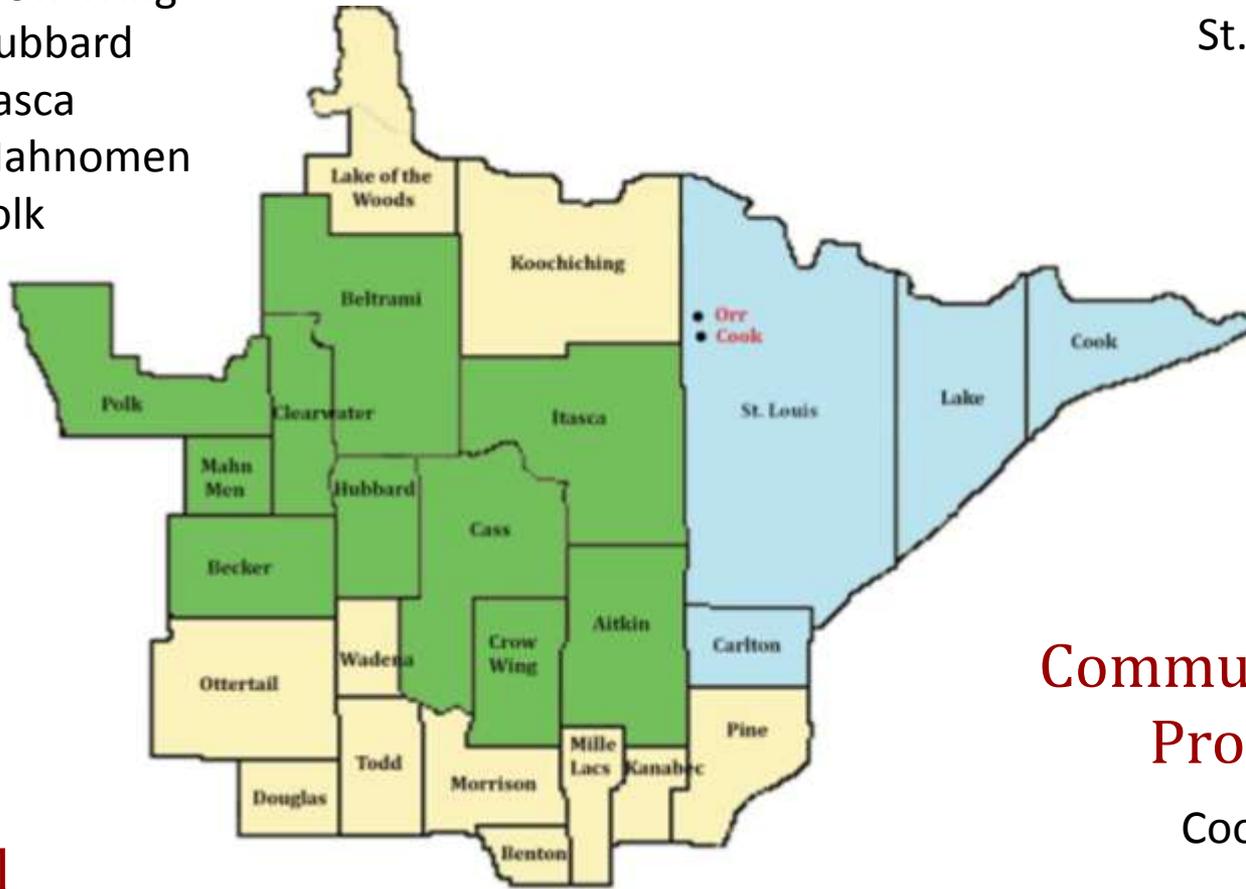
North Central

Aitkin
Becker
Beltrami
Cass
Clearwater

Crow Wing
Hubbard
Itasca
Mahnommen
Polk

Northeast

Carlton
St. Louis
Lake
Cook



Community Profiles

Cook-Orr

North Total

All the counties from the Northeast and North Central regions, and including: Lake of the Woods, Koochiching, Pine, Kanabec, Mille Lacs, Benton, Morrison, Wadena, Todd, Douglas and Otter Trail

Procedure

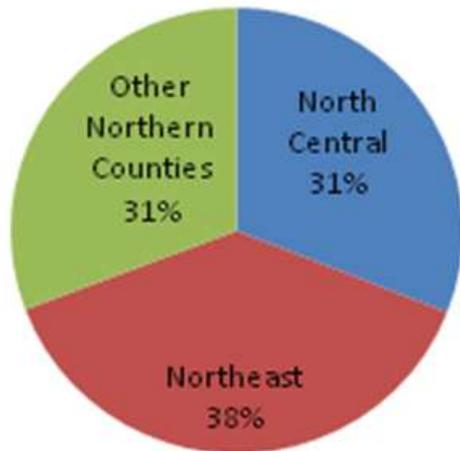
- BBER studied and estimated the activity in the forestry industry in selected study areas.
- BBER worked with the MFRC to determine industry sectors of interest for this study.
- IMPLAN estimates three economic measures of contribution:
 - Value Added (wages, rents, interest and profits)
 - Output (sales)
 - Employment (jobs)

Assumptions

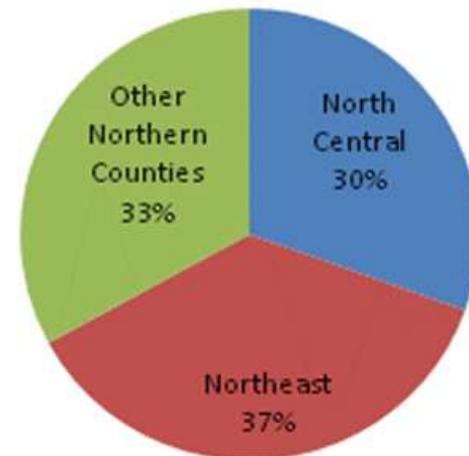
- The counties of the study area have changed.
- IMPLAN data has changed.
- Inflation has been estimated only for selected forest sectors.
- Sector descriptions have changed.

Study Area Overview

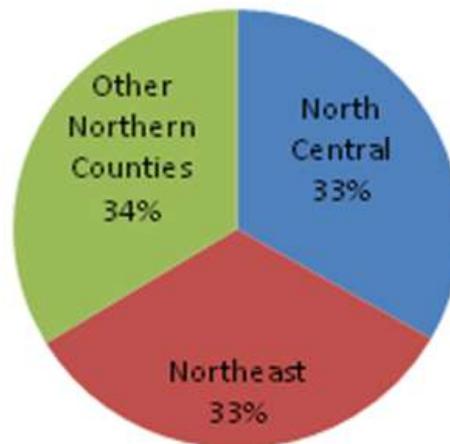
Northern MN Counties' Total
Value Added, 2009



Northern MN Counties' Total
Output, 2009

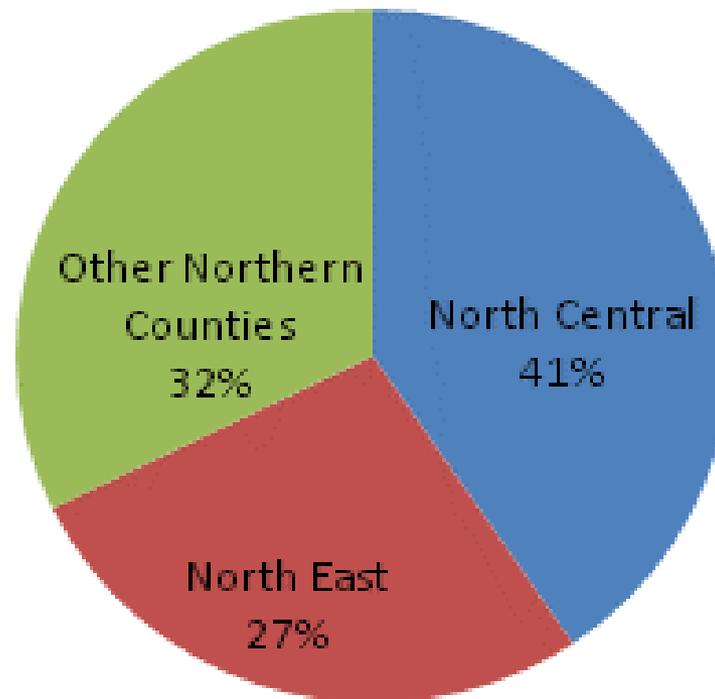


Northern MN Counties' Total
Employment, 2009



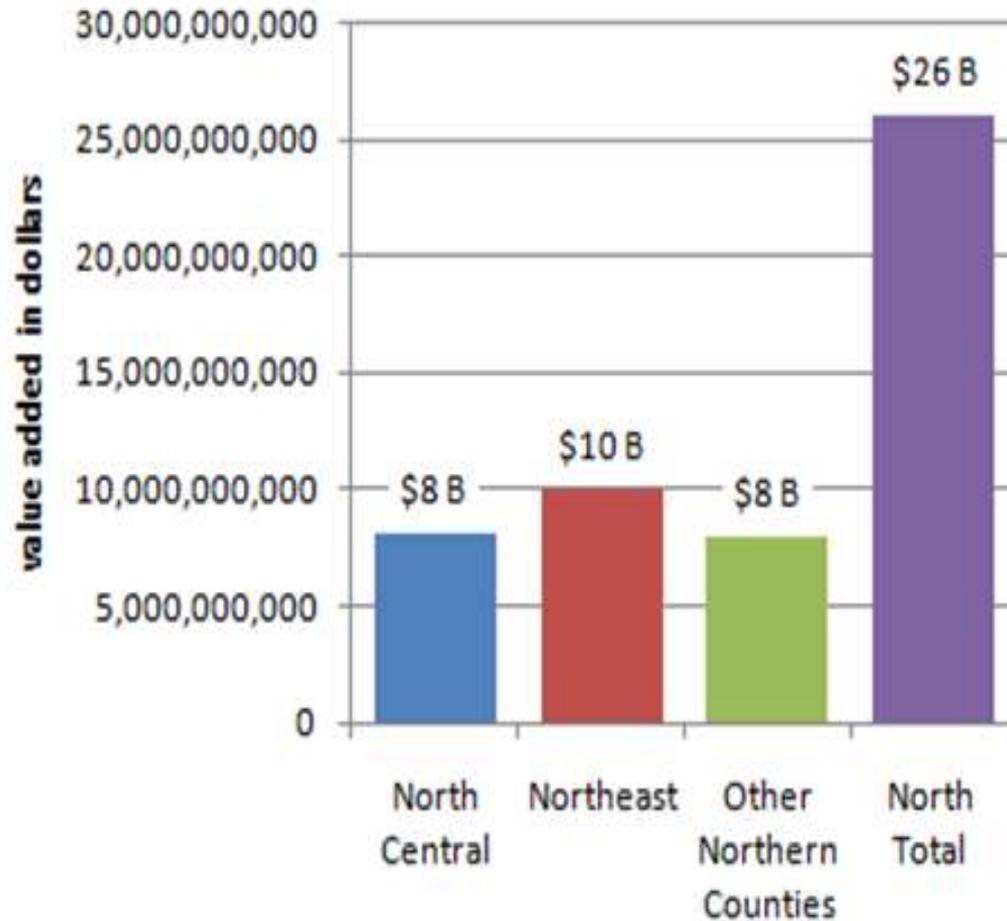
Study Area Overview

Northern MN Counties' Total Land Area (Square Miles)



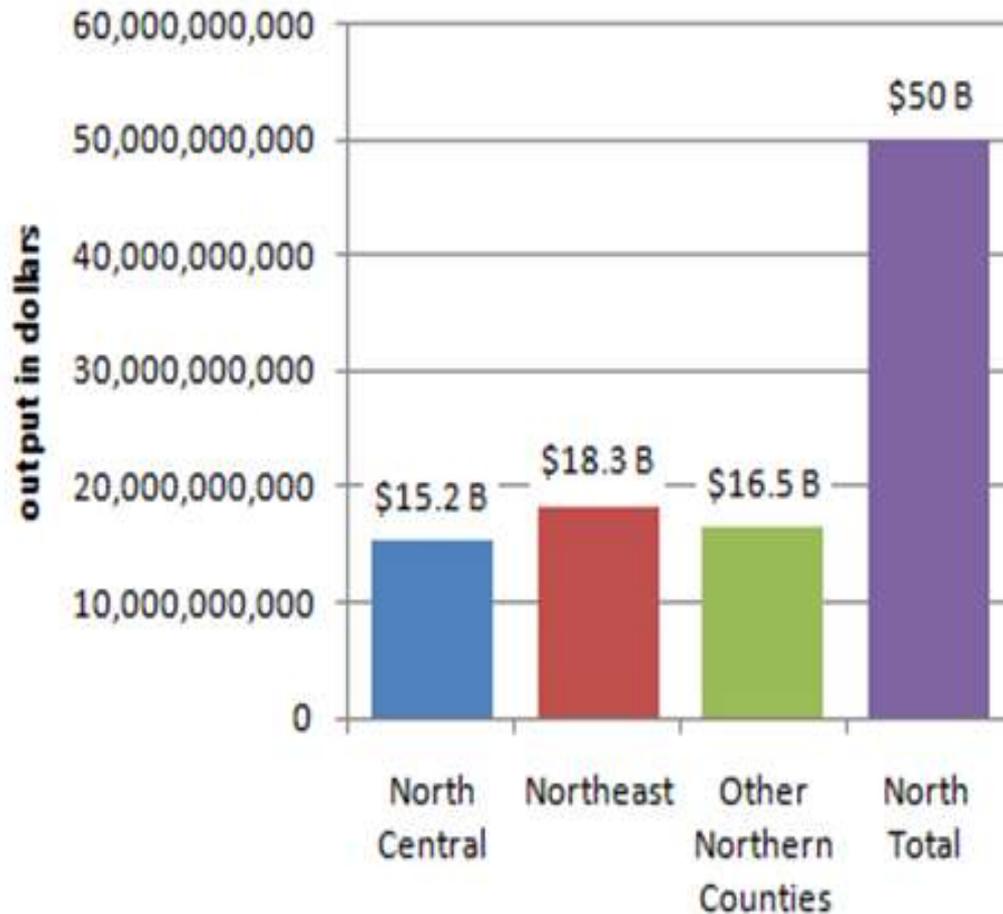
Study Area Overview

Northern MN Total Value Added by
Region, 2009



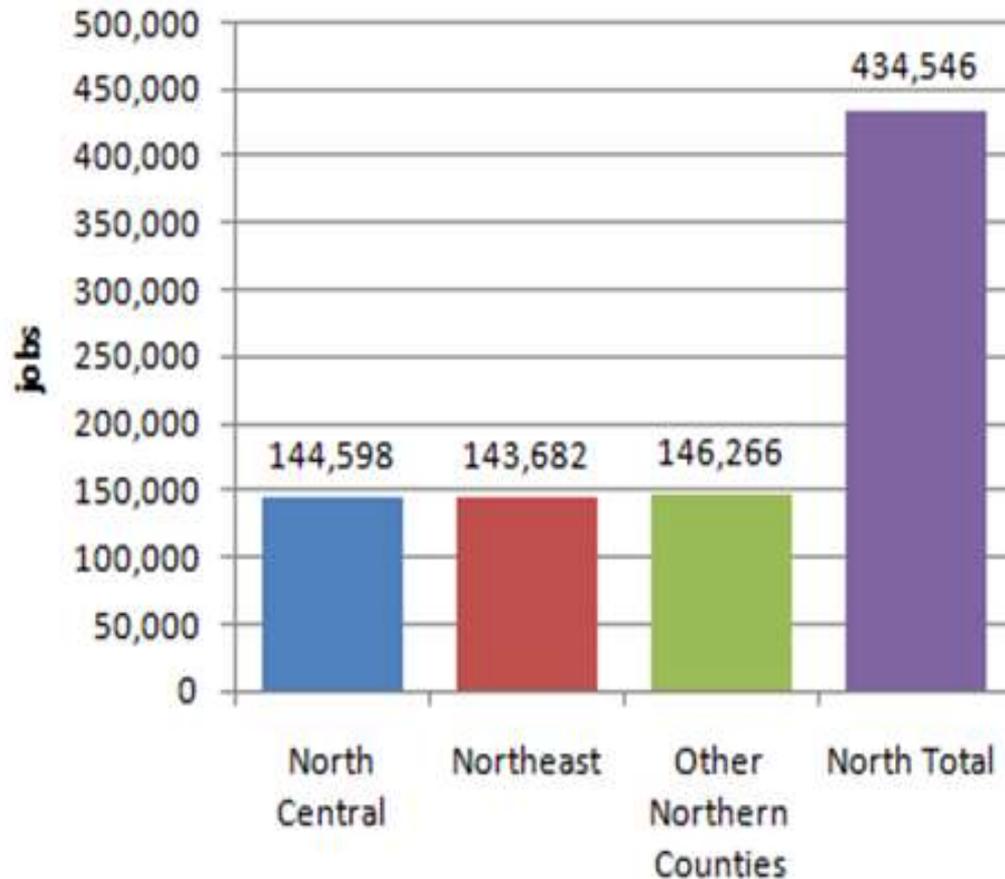
Study Area Overview

Northern MN Total Output by Region,
2009

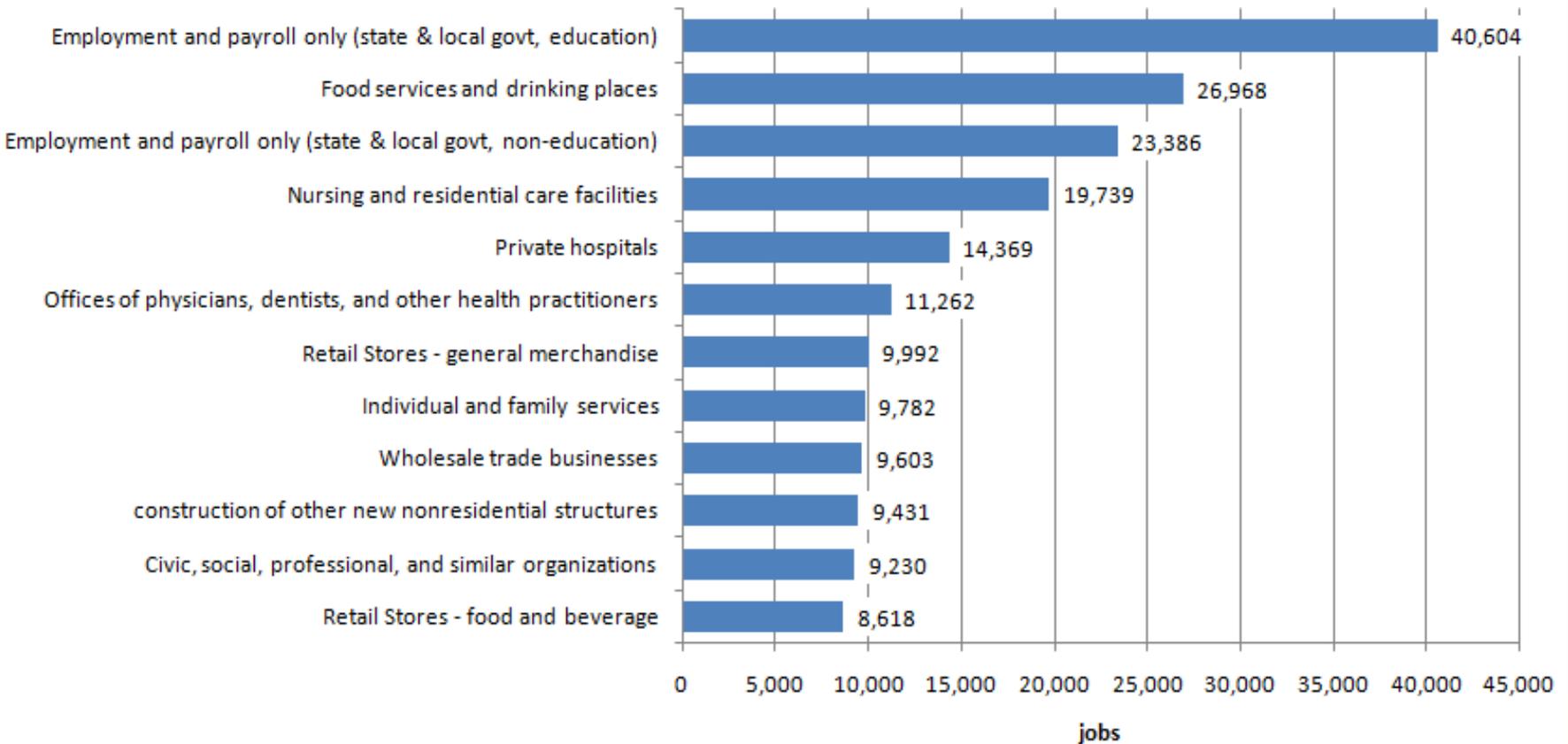


Study Area Overview

Northern MN Total Employment by Region, 2009



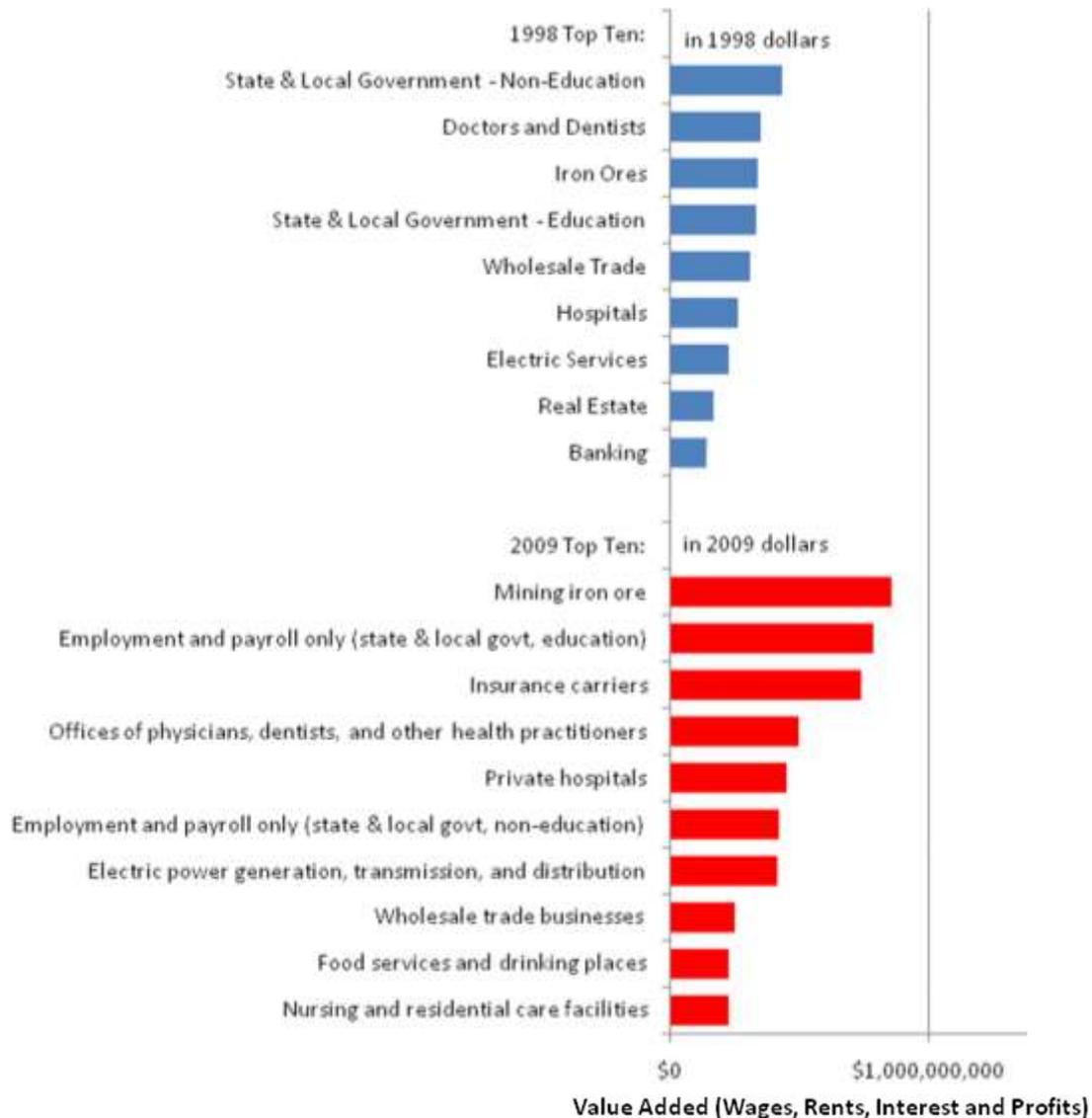
North Total Employment by Industry



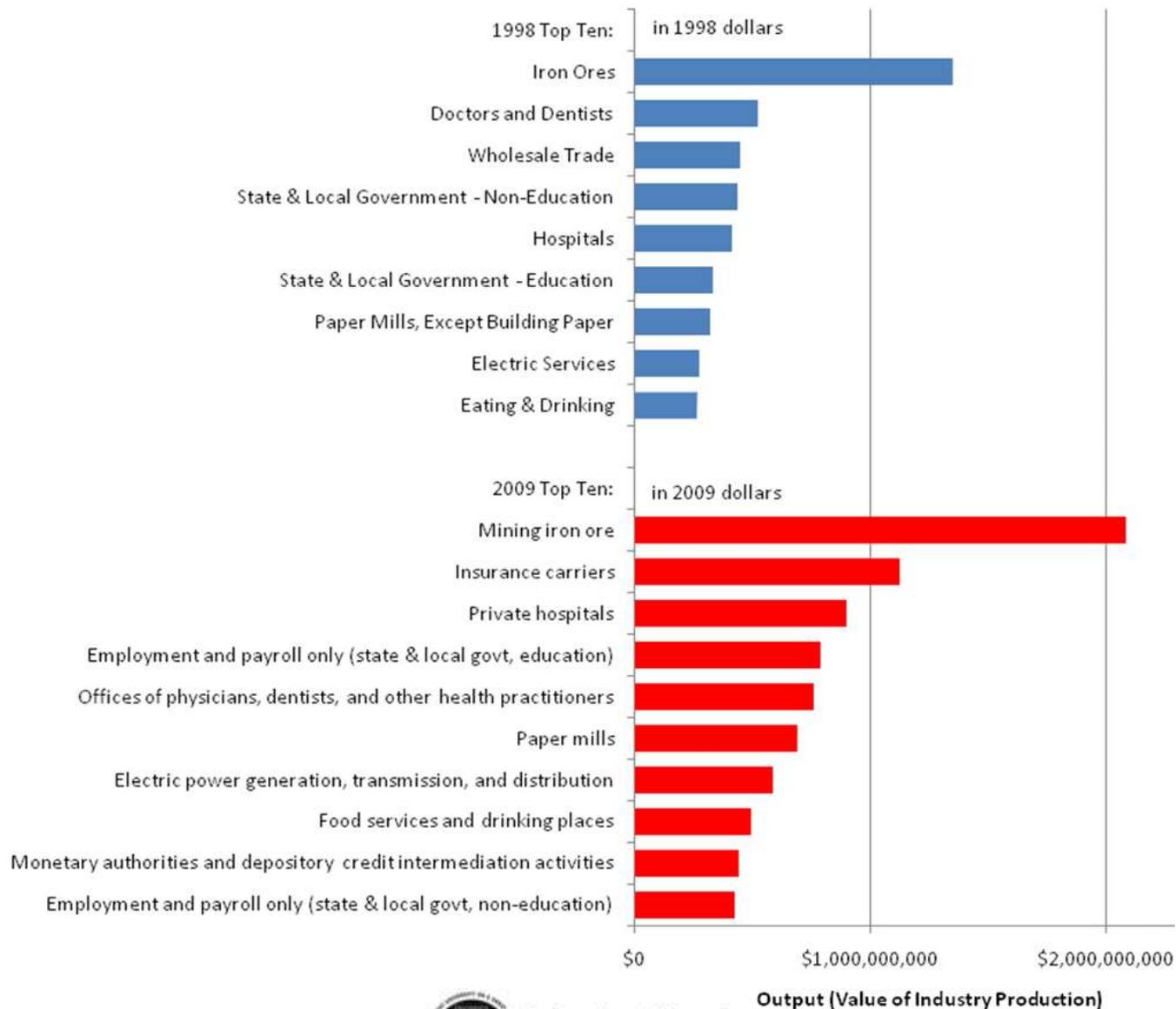
Northeast Region



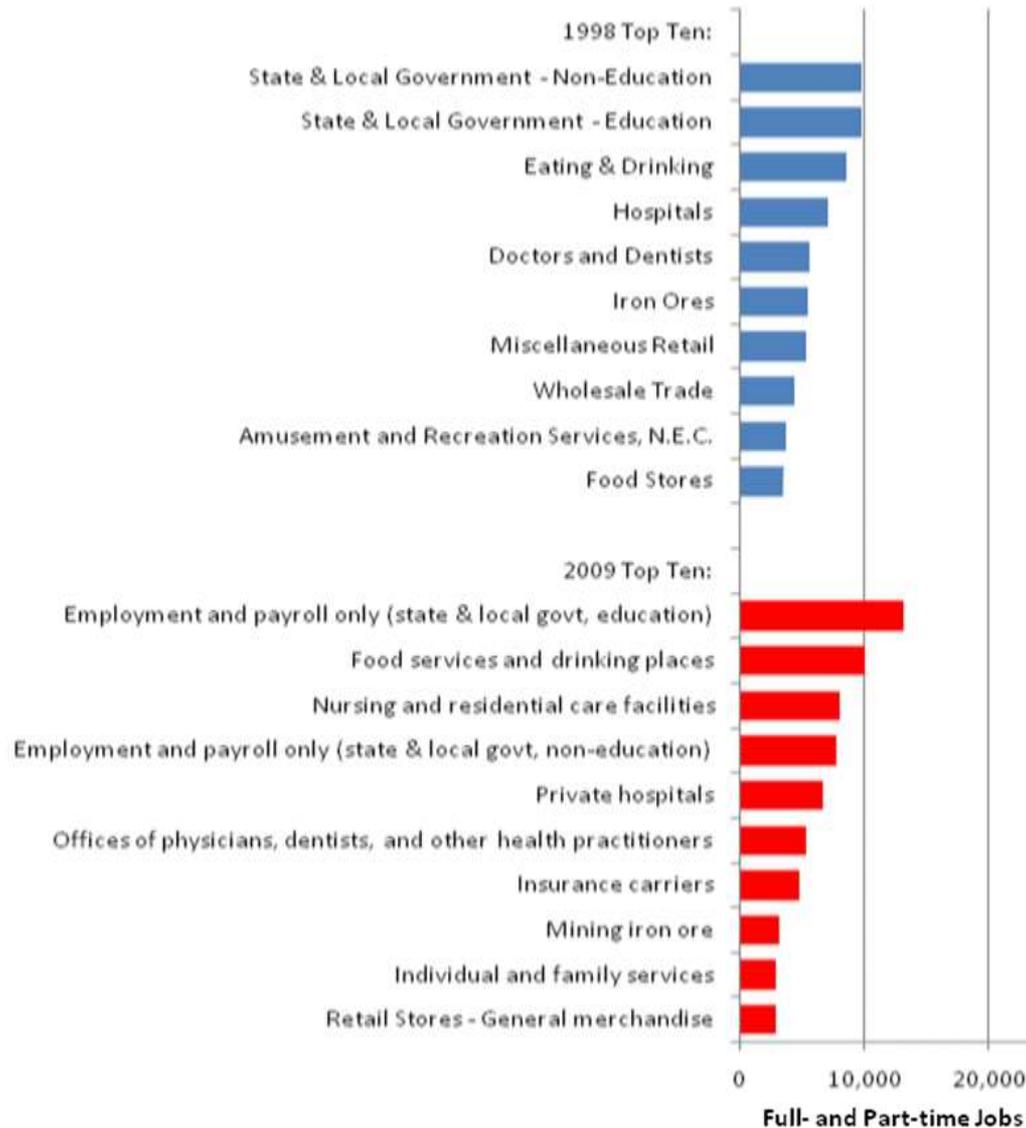
Northeast Top Ten Value Added



Northeast Top Ten Output



Northeast Top Ten Employment



Northeast Forest Products' Position in the Economy with Percent Change Value Added

Value Added	1998	2009	Unadjusted % change
Paper mills	\$122,720,000	\$187,847,841	53.07%
Reconstituted wood product mfg	\$84,530,000	\$65,407,722	-22.62%
Commercial logging	\$22,930,000	\$20,498,846	-10.60%
Sawmills and wood preservation	\$10,890,000	\$3,896,032	-64.22%
All other miscellaneous wood product mfg	\$9,710,000	\$7,003,833	-27.87%
Forestry, forest products, and timber tract prod	\$2,630,000	\$1,639,824	-37.65%
Engineered wood member and truss mfg	\$2,430,000	\$286,660	-88.20%
Wood kitchen cabinet and countertop mfg	\$1,800,000	\$1,685,454	-6.36%
Nonupholstered wood household furniture mfg	\$490,000	\$0	-100.00%
Showcase, partition, shelving, and locker mfg	\$90,000	\$753,135	736.82%

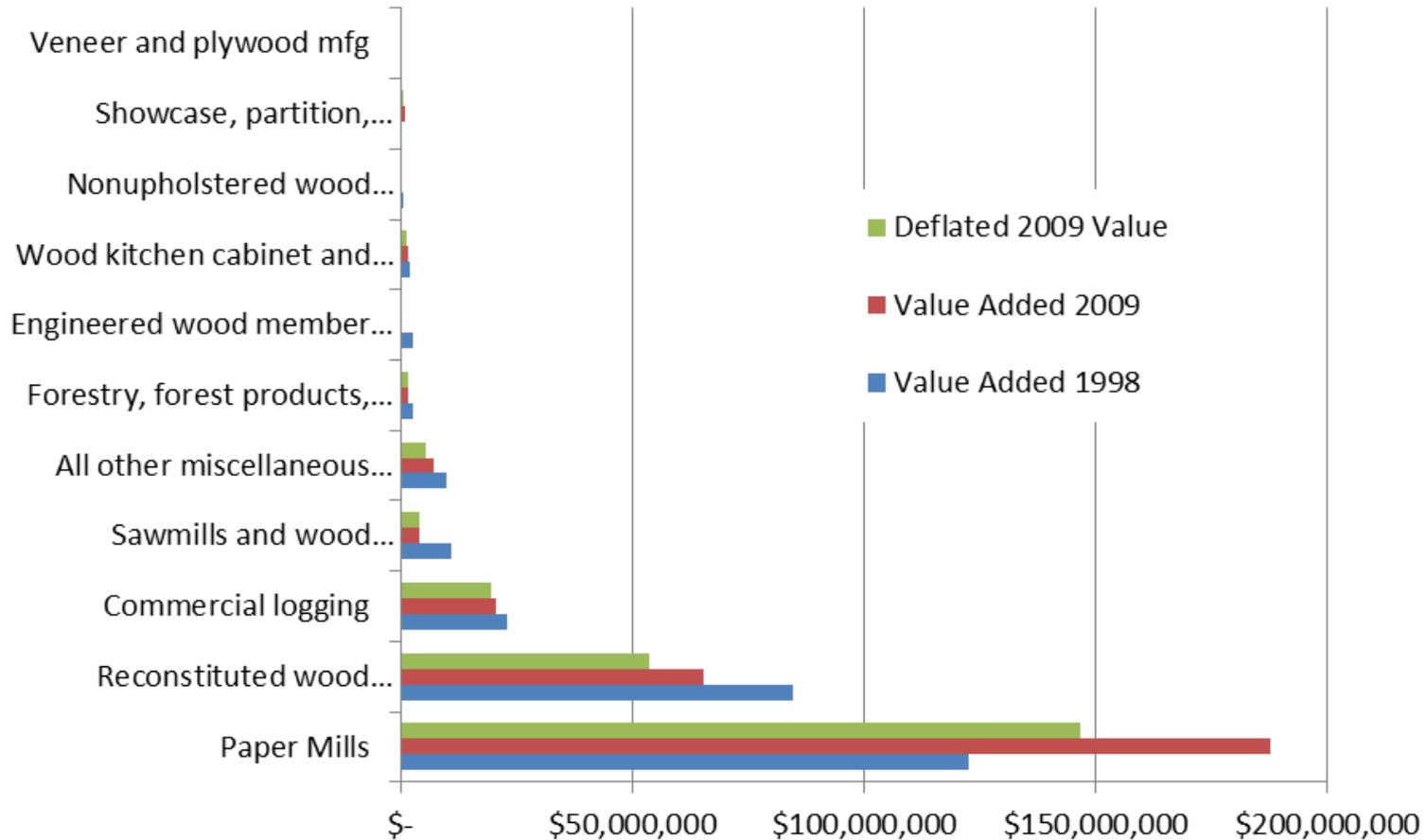
Northeast Forest Products' Position in the Economy with Percent Change Output

Output	1998	2009	Unadjust ed % Change
Paper mills	\$322,700,000	\$690,525,376	113.98%
Reconstituted wood product mfg	\$224,760,000	\$102,938,952	-54.20%
Commercial logging	\$64,570,000	\$60,878,868	-5.72%
Sawmills and wood preservation	\$43,330,000	\$15,427,999	-64.39%
All other miscellaneous wood product mfg	\$20,940,000	\$14,063,766	-32.84%
Engineered wood member and truss mfg	\$7,110,000	\$656,448	-90.77%
Forestry, forest products, and timber tract prod	\$5,130,000	\$3,006,185	-41.40%
Wood kitchen cabinet and countertop mfg	\$4,020,000	\$5,108,570	27.08%
Nonupholstered wood household furniture mfg	\$1,810,000	\$0	-100.00%
Showcase, partition, shelving, and locker mfg	\$240,000	\$2,254,234	839.26%

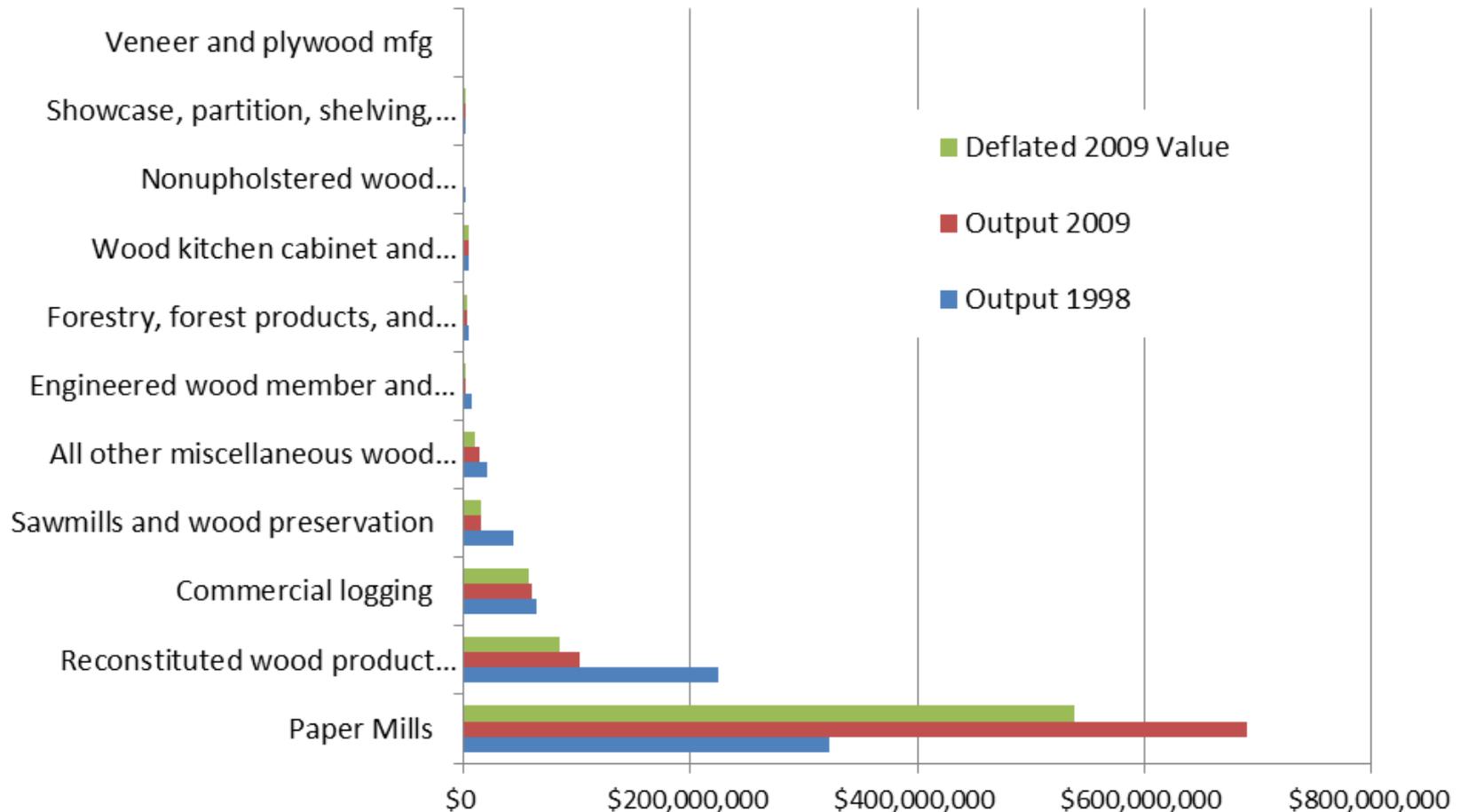
Northeast Forest Products' Position in the Economy with Percent Change Employment

Employment	1998	2009	Unadjusted % Change
Paper mills	1,228	963	-21.62%
Reconstituted wood product mfg	843	343	-59.31%
Commercial logging	397	527	32.62%
Sawmills and wood preservation	271	69	-74.51%
All other miscellaneous wood product mfg	241	85	-64.72%
Forestry, forest products, and timber tract prod	91	5	-94.91%
Engineered wood member and truss mfg	64	5	-92.91%
Wood kitchen cabinet and countertop mfg	53	41	-22.35%
Nonupholstered wood household furniture mfg	26	0	-100.00%
Showcase, partition, shelving, and locker mfg	2	14	602.94%

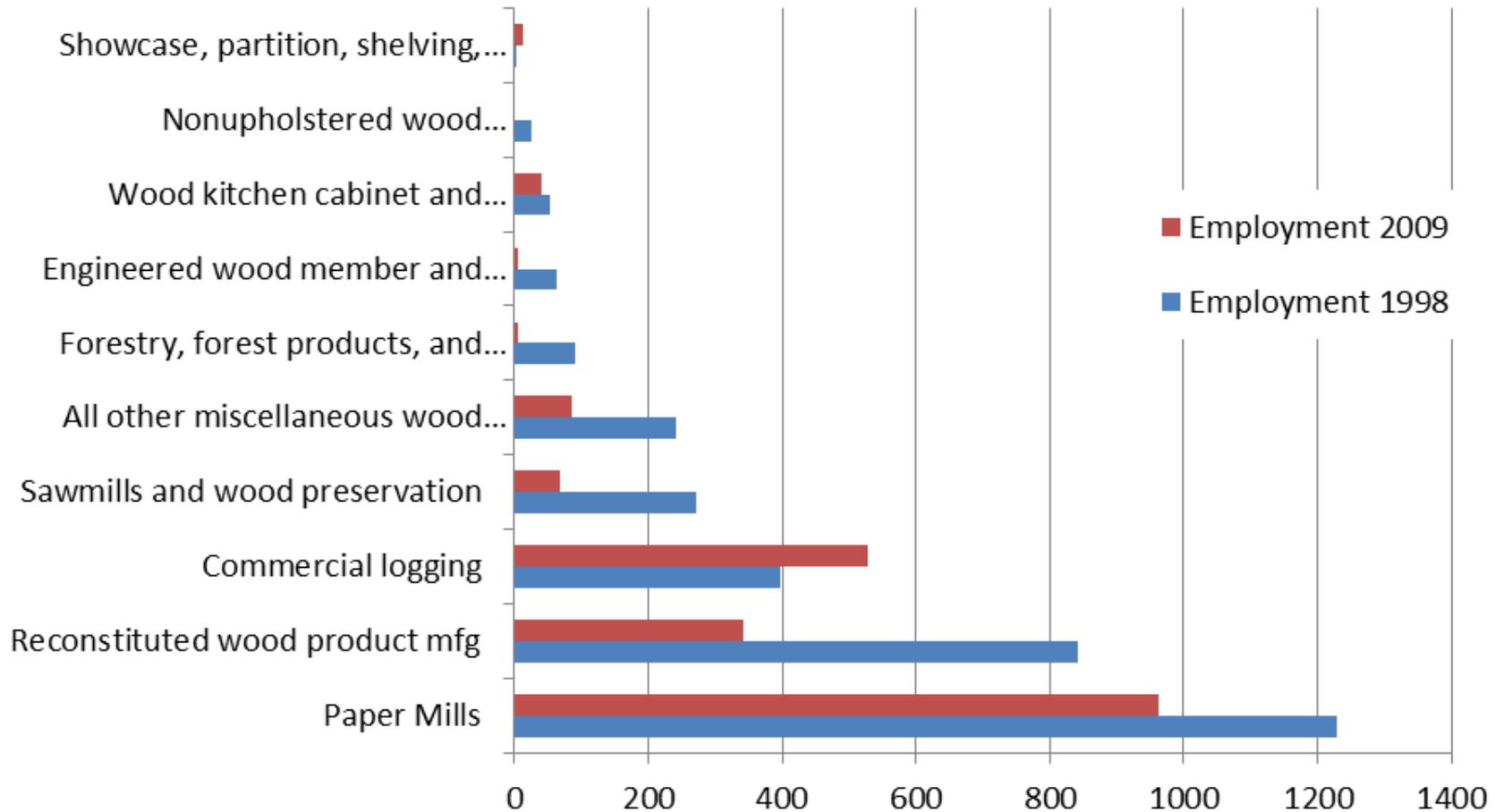
Northeast Forest Products Comparable Sectors - Value Added



Northeast Forest Products Comparable Sectors - Output

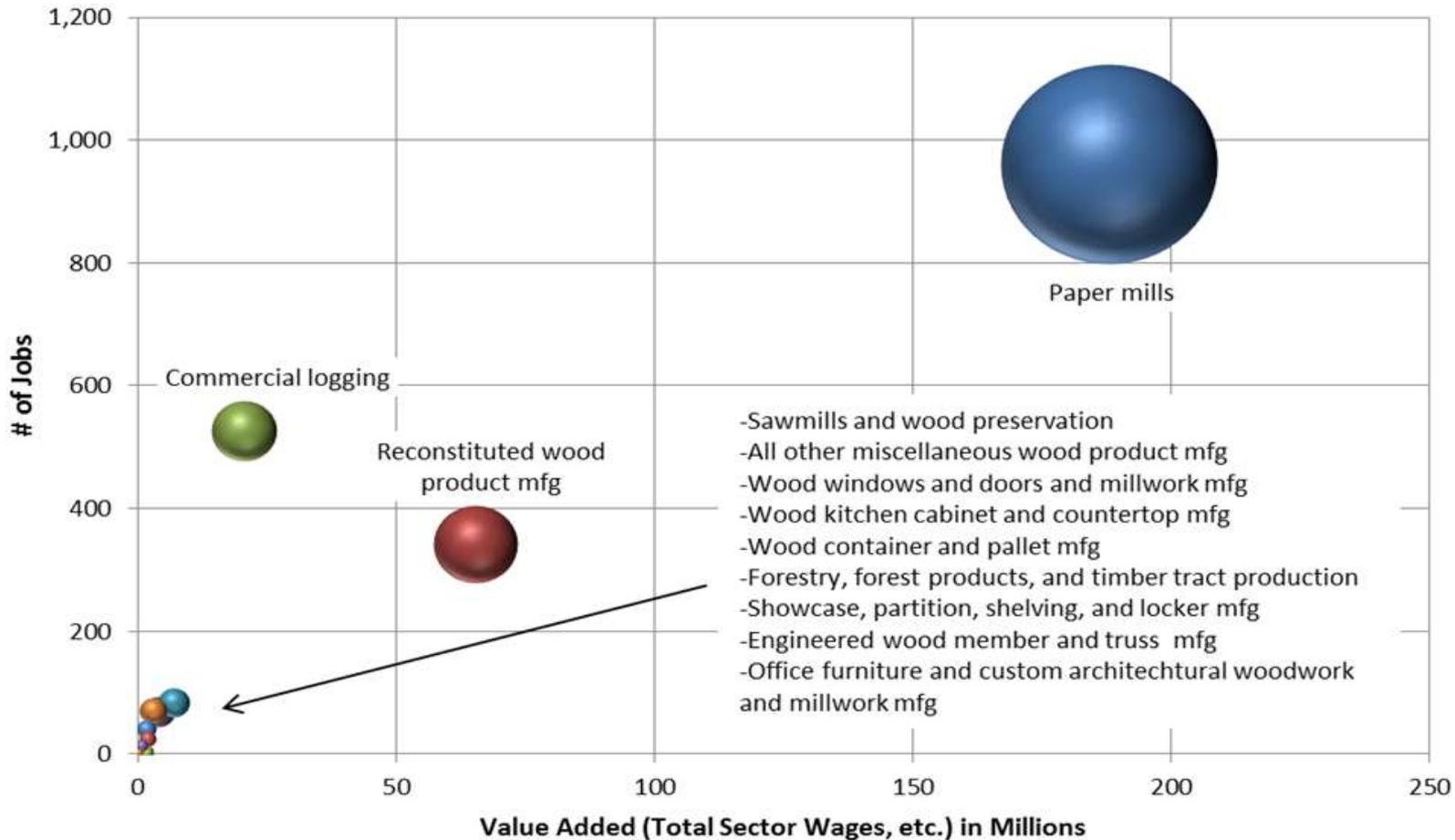


Northeast Forest Products Comparable Sectors - Employment



Northeast Forestry Sector Economic Base Comparison

Northeast Region Forestry Sectors, IMPLAN 2009
Size of Bubble = Industry Output in 2009 \$



Northeast Tourism Value Added

Description	Value Added
Food services and drinking places	\$229,856,992
Hotels and motels, including casino hotels	\$74,107,554
Amusement parks, arcades, and gambling industries	\$19,335,961
Other amusement and recreation industries	\$13,428,359
Other accommodations	\$12,836,992
Fitness and recreational sports centers	\$3,783,185
Automotive equipment rental and leasing	\$3,757,400
Performing arts companies	\$3,292,068
Bowling centers	\$2,662,775
Spectator sports companies	\$596,591

Northeast Tourism Output

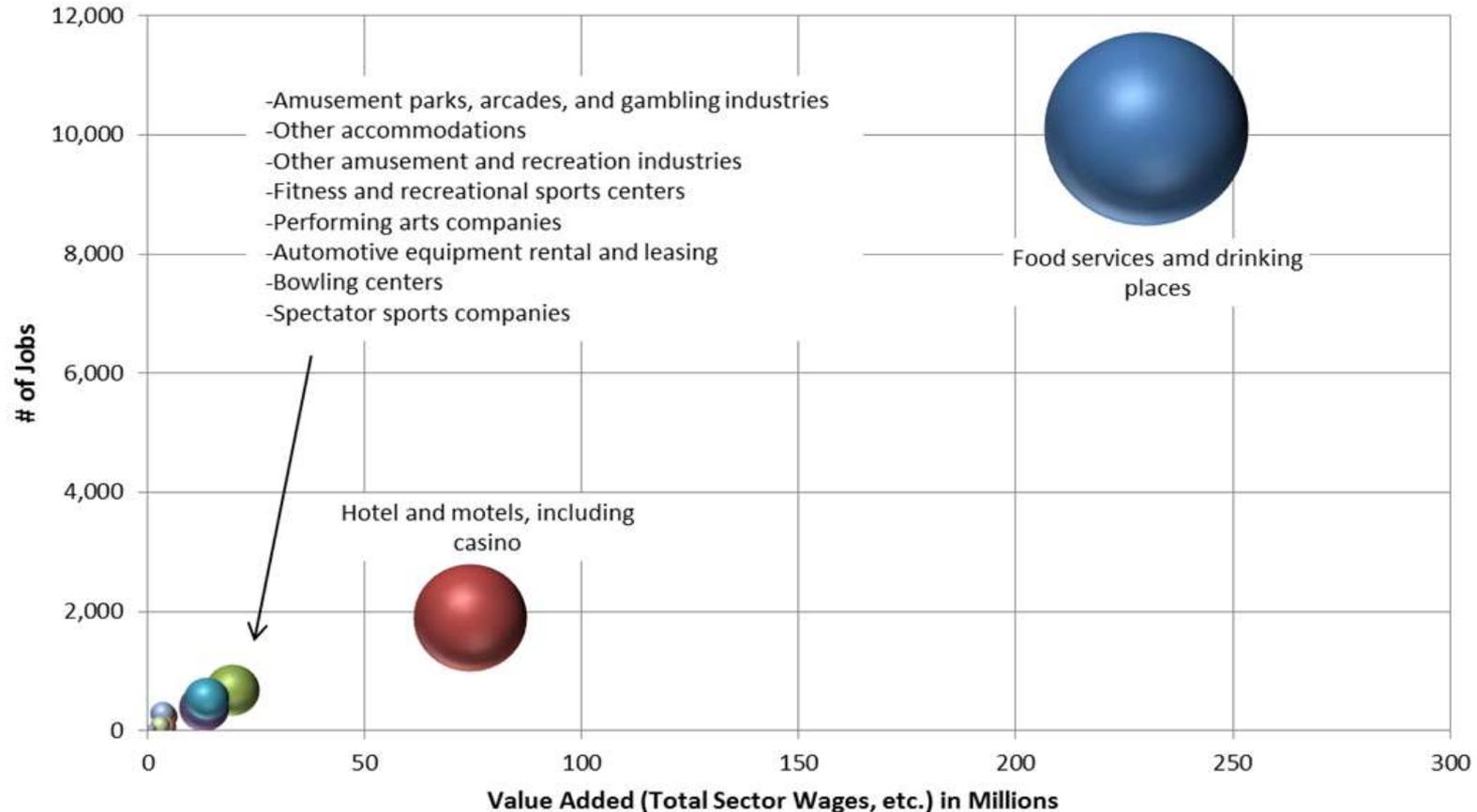
Description	Output
Food services and drinking places	\$491,989,376
Hotels and motels, including casino hotels	\$151,130,832
Amusement parks, arcades, and gambling industries	\$33,363,522
Other amusement and recreation industries	\$22,389,366
Other accommodations	\$28,278,894
Fitness and recreational sports centers	\$7,213,444
Automotive equipment rental and leasing	\$6,280,256
Performing arts companies	\$6,731,968
Bowling centers	\$3,983,227
Spectator sports companies	\$970,194

Northeast Tourism Employment

Description	Employment
Food services and drinking places	10,105
Hotels and motels, including casino hotels	1,901
Amusement parks, arcades, and gambling industries	678
Other amusement and recreation industries	541
Other accommodations	395
Fitness and recreational sports centers	239
Automotive equipment rental and leasing	65
Performing arts companies	295
Bowling centers	86
Spectator sports companies	34

Northeast Tourism Sector Economic Base Comparison

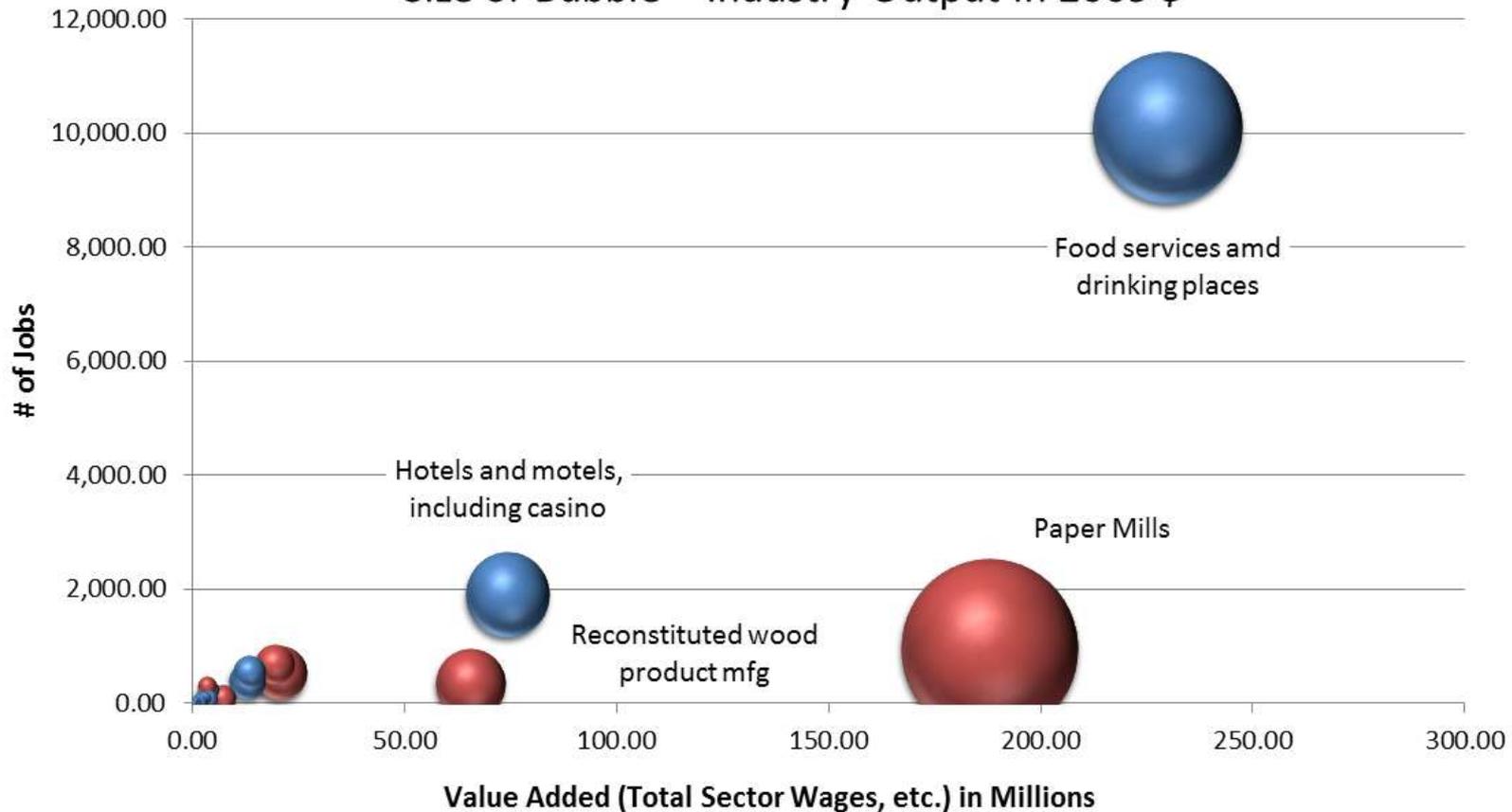
Northeast Region Tourism Sectors, IMPLAN 2009
Size of Bubble = Industry Output in 2009 \$



Northeast Forestry and Tourism Sector Economic Base Comparison

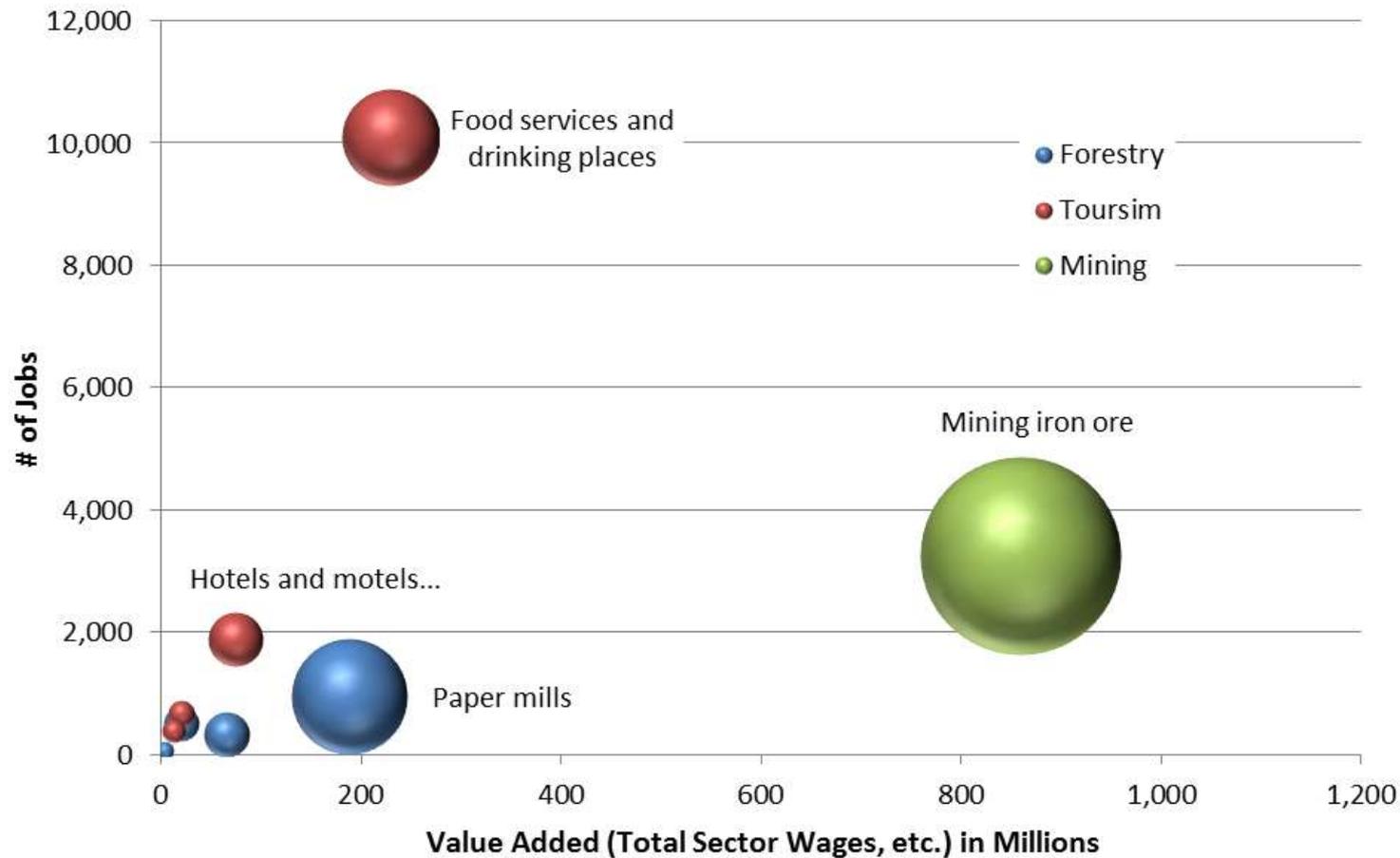
Northeast Region Forestry and Tourism Sectors, IMPLAN 2009

Size of Bubble = Industry Output in 2009 \$

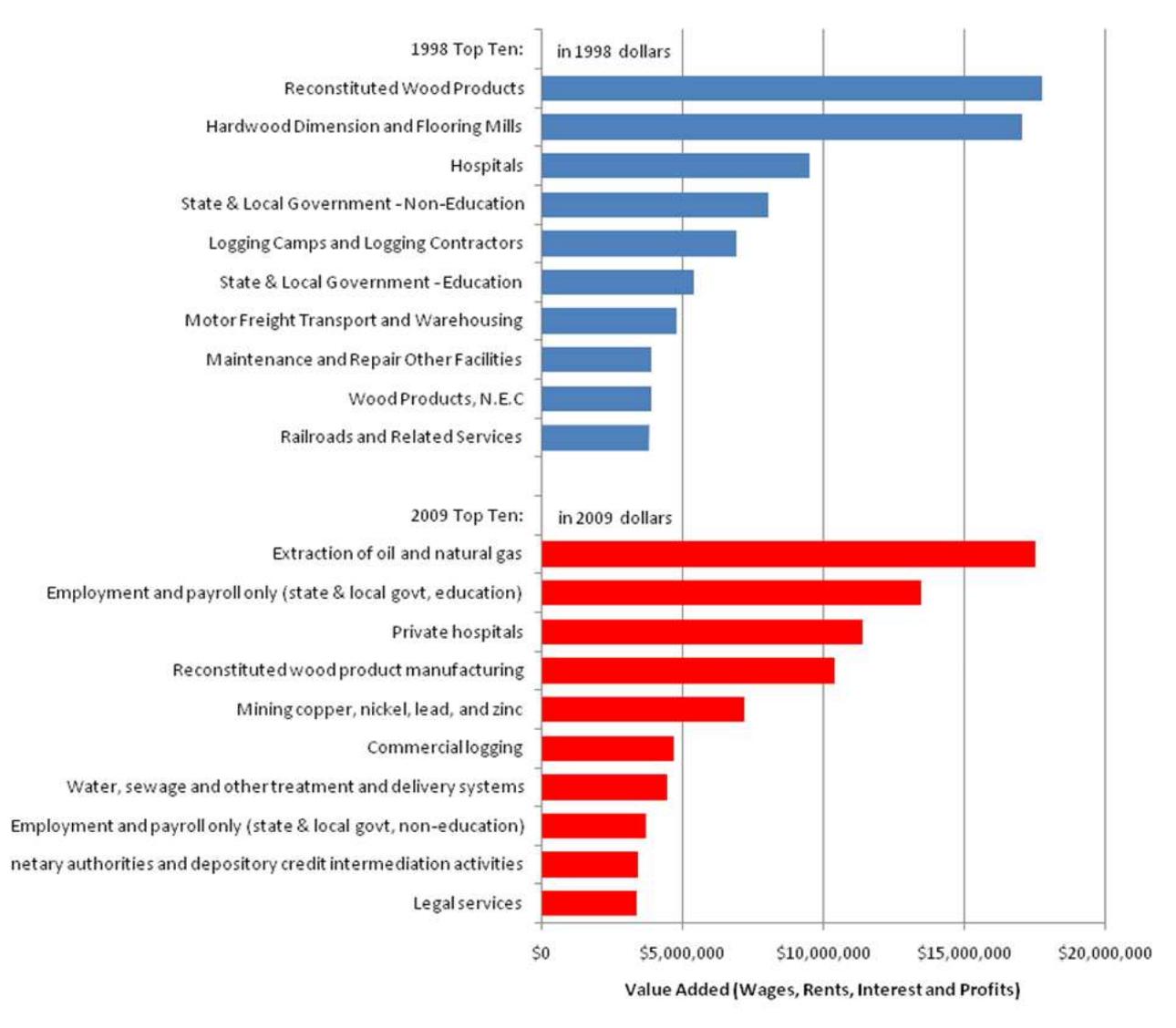


Northeast Forestry, Tourism, and Mining Sector Economic Base Comparison

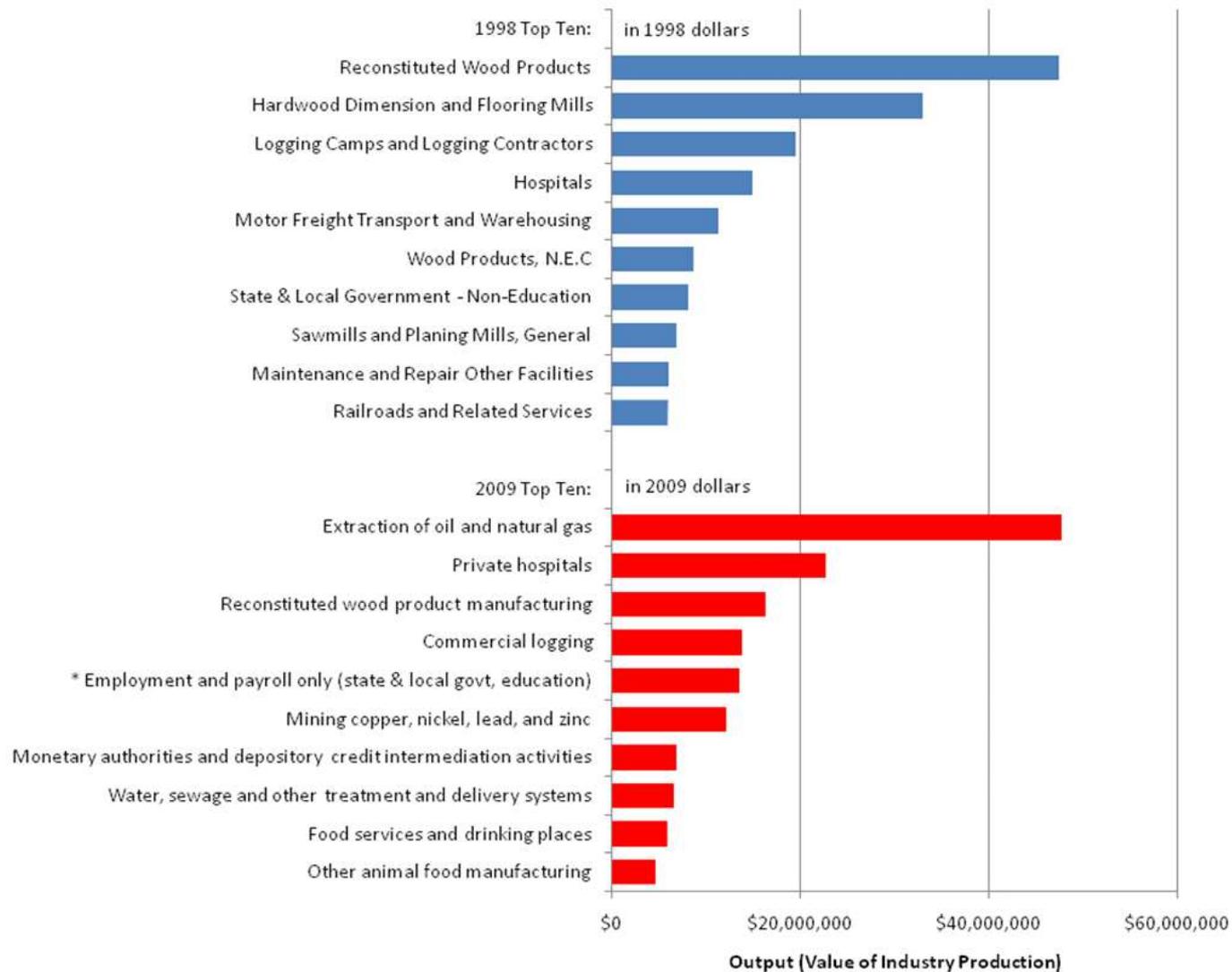
Northeast Region Forestry, Tourism, and Mining Sectors, IMPLAN 2009
Size of Bubble = Industry Output in 2009 \$



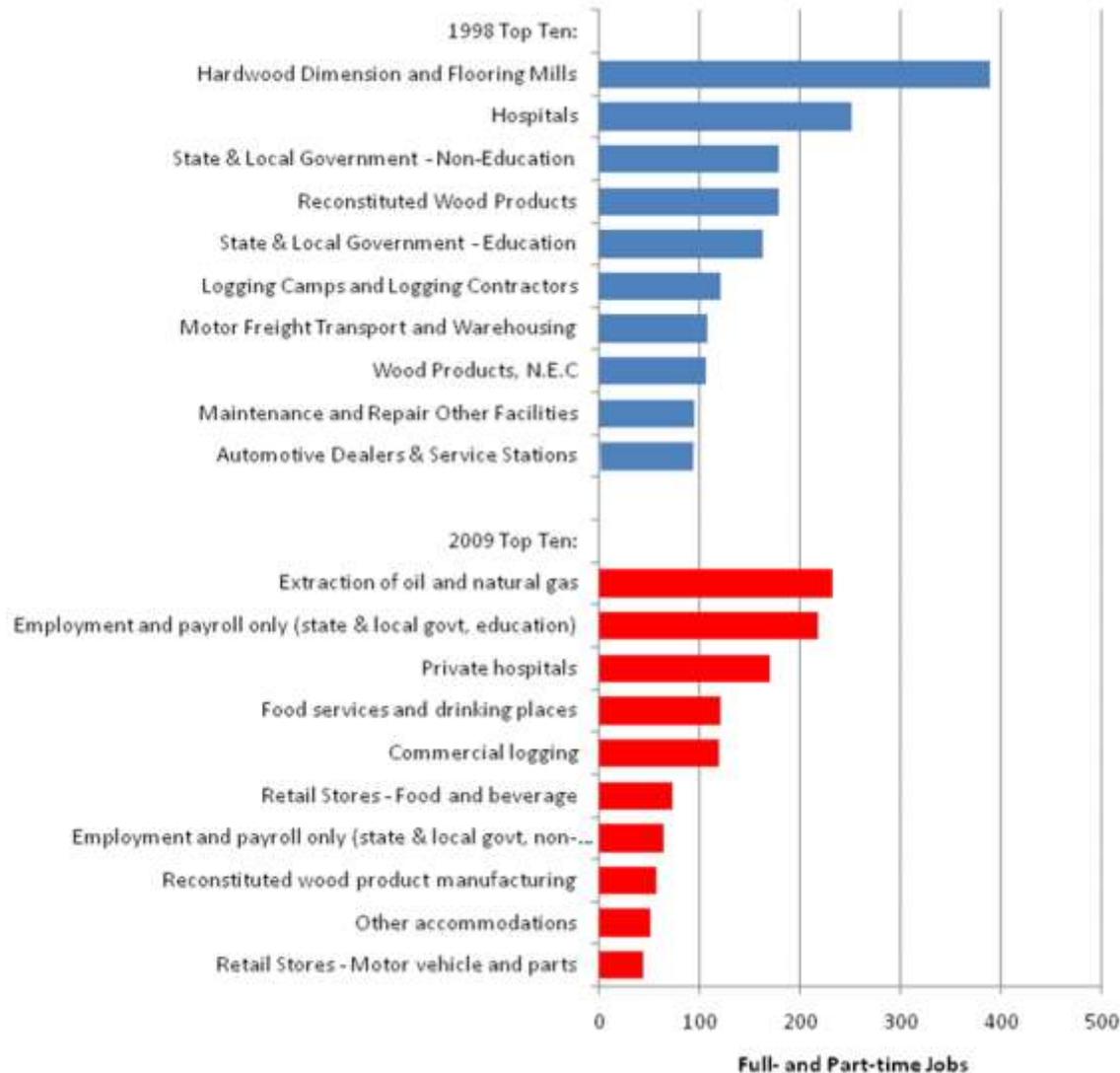
Cook-Orr Top Ten Value Added



Cook-Orr Top Ten Output



Cook-Orr Top Ten Employment



Cook-Orr Forest Products' Position in the Economy

2009 Description	Value Added	Output	Employment
Reconstituted wood product mfg	\$10,389,922	\$16,351,704	56
Commercial logging	\$4,698,153	\$13,862,589	119
All other miscellaneous wood product mfg	\$2,170,816	\$4,353,616	26
Sawmills and wood preservation	\$642,831	\$2,755,835	13
Forestry, forest product, and timber tract prod	\$150,108	\$291,341	1
Showcase, partition, shelving, and locker mfg	\$21,525	\$64,429	1

Cook-Orr Forest Products' Position in the Economy with Percent Change Value Added

Value Added	1998	2009	Unadjusted % change
Reconstituted Wood Products	\$17,732,208	\$10,389,922	-41.41%
Logging Camps and Logging Contractors	\$6,931,774	\$4,698,153	-32.22%
Wood Products, N.E.C	\$3,872,608	\$2,170,816	-43.94%
Sawmills and Planing Mills, General	\$1,614,641	\$642,831	-60.19%
Wood Kitchen Cabinets	\$352,330	\$0	-100.00%
Forest Products	\$0	\$150,108	new
Wood Partitions and Fixtures	\$0	\$21,525	new

Cook-Orr Forest Products' Position in the Economy with Percent Change Output

Output	1998	2009	Unadjusted % change
Reconstituted Wood Products	\$47,365,051	\$16,351,704	-65.48%
Logging Camps and Logging Contractors	\$19,561,676	\$13,862,589	-29.13%
Wood Products, N.E.C	\$8,726,021	\$4,353,616	-50.11%
Sawmills and Planing Mills, General	\$6,902,503	\$2,755,835	-60.07%
Wood Kitchen Cabinets	\$785,089	\$0	-100.00%
Forest Products	\$0	\$291,341	new
Wood Partitions and Fixtures	\$0	\$64,429	new

Cook-Orr Forest Products' Position in the Economy with Percent Change Employment

Employment	Unadjusted		
	1998	2009	% change
Reconstituted Wood Products	178	56	-68.55%
Logging Camps and Logging Contractors	121	119	-1.01%
Wood Products, N.E.C	106	26	-75.22%
Sawmills and Planing Mills, General	44	13	-71.41%
Wood Kitchen Cabinets	10	0	-100.00%
Forest Products	0	1	new
Wood Partitions and Fixtures	0	1	new

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