

Northern Minnesota Forestry Analysis

**Bureau of Business
and Economic Research**

Labovitz School

OF BUSINESS AND ECONOMICS

UNIVERSITY OF MINNESOTA DULUTH

Driven to Discover™

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Project Description

- Supports economic framework for second generation Northeast Landscape Plan
- Focuses on elements of the BBER's past analysis
- The full report will include collection and analysis of data
 - Arrowhead and Northeast Regions of Minnesota
 - Importance of forestry to each region
 - Tourism and recreation in each region
 - Regional economic trends

Forestry Sectoring

- **Primary Forest Products Manufacturing**
 - Paper mills
 - Reconstituted wood product mfg.
 - Electric power generation, transmission, and distribution¹
 - Sawmills and wood preservation

¹ 1.7% of totals for Electric power generation, transmission, and distribution is related to forestry manufacturing, deflated numbers are displayed in this presentation, EIA

Forestry Sectoring

- **Secondary Forest Products Manufacturing**

- All other misc. wood product mfg.
- Wood windows and doors and millwork mfg.
- Wood container and pallet mfg.
- Wood kitchen cabinet and countertop mfg.
- Paperboard container mfg.
- Nonupholstered wood household furniture mfg.
- Engineered wood member and truss mfg.
- Showcase, partition, shelving and locker mfg.
- Office furniture and custom architectural woodwork and millwork mfg.

Forestry Sectoring

- **Forestry and Logging**

- Commercial Logging
- Forestry, forest products, and timber tract production
- Transport by truck²
- Support activities for agriculture and forestry³

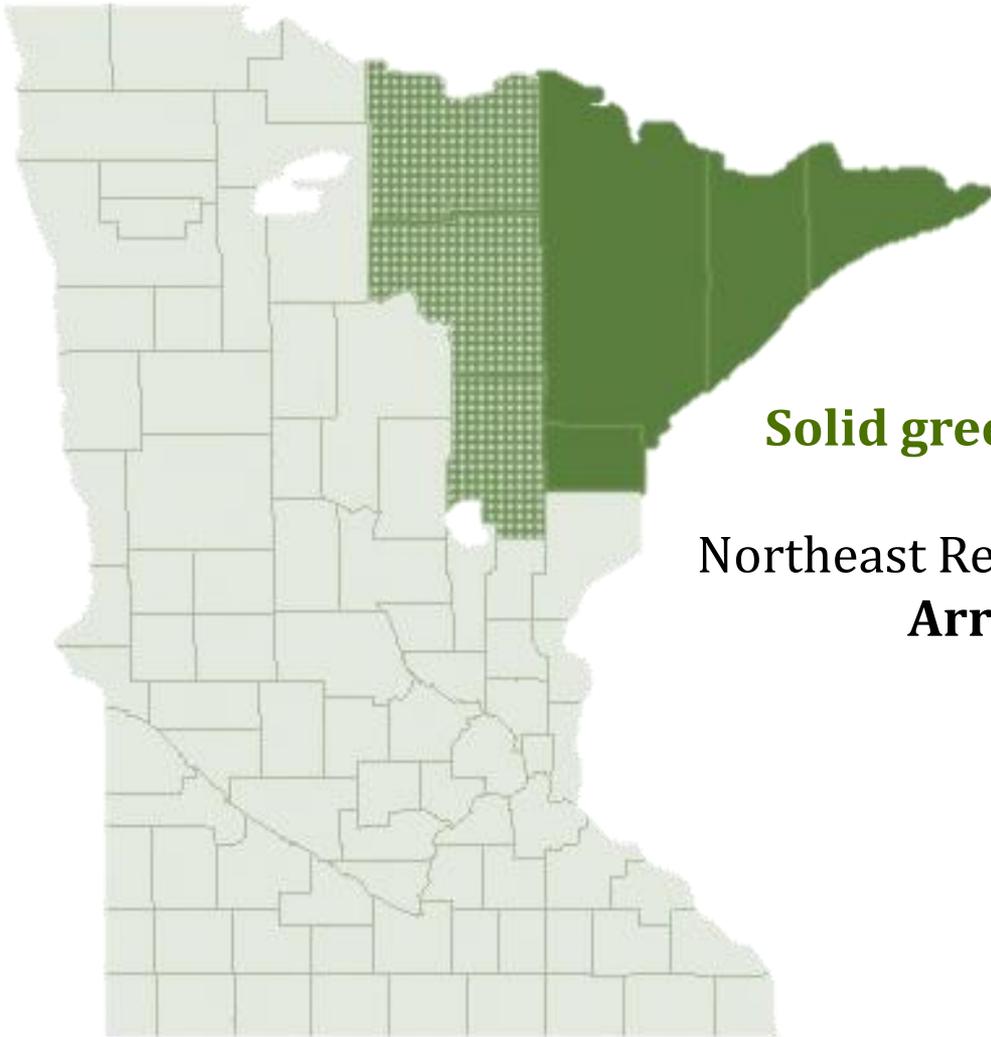
² 1.2% of totals for Transport by truck is related to forestry and logging, deflated number is displayed, DEED

³ 2.2% of totals for Support activities for agriculture and forestry are related to forestry and logging, deflated number is displayed, DEED

Key Players

- New Page
- UPM Blandin
- Louisiana Pacific
- Sappi
- Boise Cascade

Study Area Overview



Solid green = Northeast Region

Northeast Region + **checkered area** =
Arrowhead Region

Projections

- 10-year projections for forestry-based industries of the Northeast Region of Minnesota
- Includes three scenarios
 - **Stable**
 - **Growth**
 - **Decline**

Stable

Maintain 2008 production across all industries?

WOOD SOURCE

Private	2008
Public	2008
Federal	2008
State	2008
County	2008
Tribal	2008

ASSUMPTIONS

Harvest Close to mills	2008
Quality Wood	2008
Summer Harvest	2008
Define Biomass	2008

Paper Mills	Use 2008 production
Saw Logs	Use 2008 production
OSB & Engineered	Use 2008 production
Biomass	Use 2008 production

Growth Rate of 20% or Cords

WOOD SOURCE

Private

Public

Federal

State

County

Tribal

no change or decrease slightly

DNR Aggressive

ASSUMPTIONS

Growth

Harvest Close to mills

<= 50 miles

Quality Wood

40 - 60 yr rotation?

Summer Harvest

number of cords

Define Biomass

mining companies + ethanol +commercial
heating

Paper Mills

no change

Saw Logs

2 to 3 times

OSB & Engineered

= +20%

Biomass

= +20%

Decline by 1 Million Cords or %

WOOD SOURCE

Private

Public

Federal

State

County

Tribal

decrease

no change or decrease slightly

decrease

ASSUMPTIONS

Decline

Harvest Close to mills

>50 miles

Quality Wood

>40 to 60 yr rotation?

Summer Harvest

little or no change

Define Biomass

<2008

Paper Mills

plant closing

Saw Logs

decrease

OSB & Engineered

decrease

Biomass

little or no biomass

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