

# Forest Industry Still Providing “Green” to Mississippi’s Economy



Ray Iglay

By Karen Brasher

While the economy is sluggish throughout the country, forestry and forest products continue to make the state’s economy green.

Forestry production ranks second in the state, behind poultry, generating \$1.08 billion in revenue in 2008 and providing a whopping \$17.37 billion to the state’s bottom line. A recent Mississippi State University report shows just how much of the state’s economy is rooted in the 19.6 million acres of forestland.

“While it’s well known that forestry is important to the state, most residents may not appreciate that 65 percent of the state’s total land area is covered in forest,” said Ian Munn, a professor in MSU’s Forest and Wildlife Research Center.

Munn, along with forest economists James Henderson and Donald Grebner, sought to measure the total economic impact of the timber products harvested and delivered to mills and manufacturing plants in Mississippi each year.

Based on 2006 data—the most recent available—the study found that forestry-related employment accounted for 8.5 percent of all jobs in Mississippi and paid an average annual wage of \$40,713.

The project examined the forest industry’s four main sectors: logging, solid wood products, pulp and paper, and wood furniture manufacturing. To determine impact, the economists looked at direct, indirect and induced effects of the four sectors.

Employing a computerized database and modeling software, they looked at employment, wages paid, total value of production, and value added through the manufacturing

process. According to results of the study, the forest and forest products industry provides 123,659 full- or part-time jobs with an associated annual payroll of \$4.37 billion. The industry generates \$7.12 billion in value-added income and \$1.66 billion in tax revenue.

The study also examined the economic impacts of potential biofuel-related activities.

“Research has found that over 3.5 million dry tons of logging residues and unharvested materials are recoverable for use as raw material for biofuels each year in Mississippi,” said James Henderson, assistant forestry professor and co-investigator.

Harvesting and delivering the raw materials would equate to a 9 percent expansion in the logging sector and more than 1,700 additional jobs.

“Add to this the jobs created from operating a power plant or a cellulosic ethanol plant, and the possibilities are astounding,” Henderson said.

Donald Grebner, an associate professor of forestry, said that there is enough raw material to operate eight 100-megawatt power plants or five biofuel plants. Either of these scenarios would generate thousands of jobs and huge economic impact.

“While the current conditions aren’t the best, the outlook is extremely promising for the forestry and forest products industries,” Grebner said. “With the recent significant breakthroughs in the development of alternative fuels, the state is in an extraordinary position to reap the benefits of an abundant forest resource once the economy rebounds.”