

Indicator 29. Value and Volume of Wood and Wood Products Production, Including Value Added Through Downstream Processing

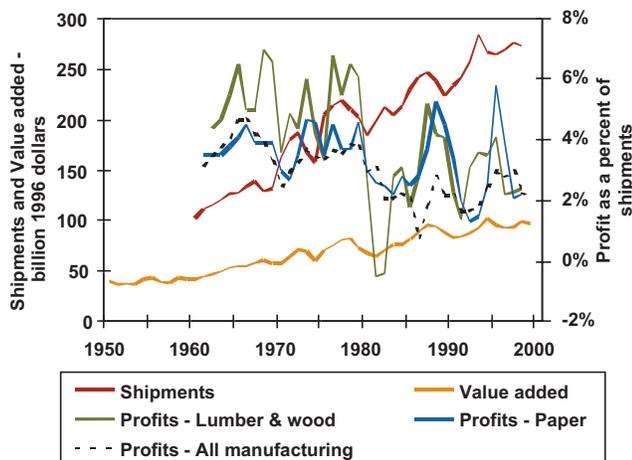


Figure 29-1. Value of shipments and value added for solidwood and paper industries, and after-tax profit as a percent of shipments, 1950-1999.

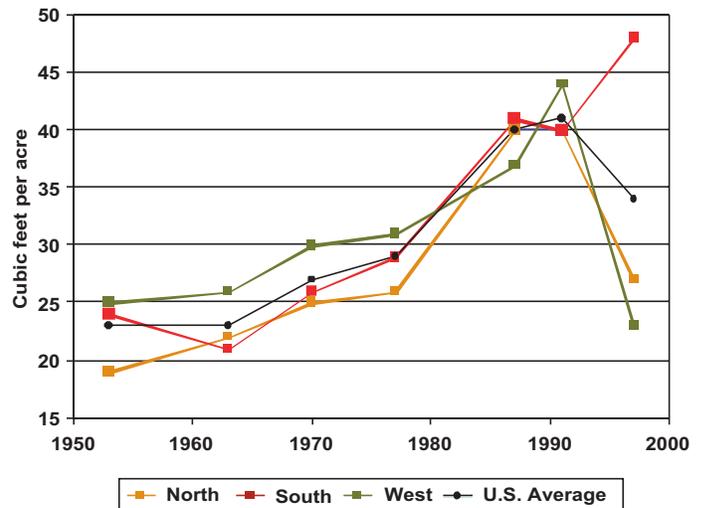


Figure 29-2. Growing stock roundwood production (harvest) per acre of timber land by region, 1952-1997.

What Is the Indicator and Why Is It Important?

The intent of the indicator is to (1) show the size and economic health of the wood products sector by identifying trends in the value and volume of wood products production and (2) allow comparison of those trends against management objectives. The revenue from the sale of products is important because it helps pay for management and provides a reason for keeping the land in forests. In the absence of national production objectives, the acceptability of production and harvest levels may be judged based on objectives for the things production affects: local economies, values for consumers, environmental and economic outcomes of product trade, and environmental outcomes from forest management and industry, including industry for substitute products.

What Does the Indicator Show?

The United States produced 203 million tons of wood and paper products in 1999, up from 83 million tons in 1950; and 2.6 Quad of wood energy (2.7 percent of U.S. consumption), up from 1.7 Quad in 1950. In comparison, the United States produced 119 million tons of steel in 2000, and 95 million tons of cement in 1999. Production in 1999 included 3.4 billion cubic feet (cf) of lumber (27 percent of world production, up from 22 percent in 1961), 1.0 billion cf of plywood/OSB, and 105 million tons of pulp, paper, and paperboard (27 percent of world production, down from 40 percent in 1961). U.S. industrial roundwood production (harvest excluding fuelwood) increased from 9 to 15 billion cf between 1961 and 1999 (24 percent and 27 percent of world production). As a share of all U.S. manufacturing, value of shipments has been increasing while value added has been decreasing. Value of

shipments for lumber and wood products industries (1996 dollars) increased from \$35 to \$118 billion between 1962 and 1999 (2.0 percent and 3.0 percent of all manufacturing) and for paper and allied products industries from \$67 to \$159 billion (4.0 percent and 4.1 percent of all manufacturing). Value added in lumber and wood products industries (1996 dollars) increased from \$19 to \$42 billion between 1950 and 2000 (3.9 percent and 2.8 percent of manufacturing) and for paper and allied industries from \$18 to \$56 billion in 2000 (3.7 percent and 3.8 percent of manufacturing). In 1996, shipments and value added in the wood furniture industries was \$25 and \$9 billion, respectively. Wood, pulp, paper, and recovered paper exports were valued at \$19 billion in 1999, 2.9 percent of all commodity exports, down from 3.4 percent in 1965. In 1997, value added per acre of timber land per year was highest in the North (\$328), followed by the South (\$241), Pacific Coast (\$232), and Rocky Mountains (\$76). Industry profitability has been quite variable and declining. After-tax profits per dollar of shipments for lumber and wood products and paper and allied products have both been above the average profits for all manufacturing, and all three have declined since 1960. Roundwood production (harvest of industrial roundwood plus fuelwood) has increased from 11 to 18 billion cf between 1950 and 1999, or 21 to 35 cf per acre of timber land per year. Growing stock harvest per acre of timber land per year in 1997 (may be compared to growing stock growth) was highest in the Pacific Coast (54 cf, without national forest harvest), followed by the South (48 cf), the North (27 cf), and the Rocky Mountains (21 cf, without national forest harvest), and national forests in the West (7 cf); and highest for industrial land (70 cf), followed by nonindustrial private land (34 cf) and public land (9 cf).