

North Carolina's Forest Products Industry

RREA Natural Resource Agent Training
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Where Does Stuff Come From?

i.e. where does the material to build stuff come from?

We can mine or take it from the ground:

stone

steel

concrete

iron

gypsum

oil

brick

plastic

aluminum

May be grown like bamboo or wheat.

Or it may be trees from the forest.

Facts about Forests - US

- One third of the United States is forested – 751 million acres.
- Sixty percent of all forestland in the U.S. is privately owned.
- Privately owned forests supply 91% of the wood harvested in the US. State and tribal forest lands supply 6%, while federal forests supply only 2% of the wood used by the forest products industry.
- Over 25% of private US forestland is certified compared with 10% of forestland worldwide.
- Each year US forest and forest products store enough carbon to offset about 10% of the nation's CO2 emissions.

Facts about Forests – North Carolina

- Fifty-nine percent of North Carolina is forested – 18 million acres.
- Eighty-six percent of all NC forestland is privately owned.
- Of NC's 18 million acres of timberland, 64% is owned by individuals and 22% is owned by private corporations.
- North Carolina ranks fifth in amount of timberland owned by individuals, compared to other states.

Wood Products

- Our domestic woods are sustainable, renewable, and natural.
- Domestic wood products are environmentally manufactured, requiring less energy to make and transport than alternative materials, and function as a warehouse to store carbon and mitigate global warming.
- Our companies offer quality wood products manufactured locally from locally sourced woods.
- Wood is workable, versatile, customizable, durable, abundant and affordable.

Examples of Value Added Wood Products

Household Furniture

Bedroom furniture
Dining room furniture
Entertainment centers
Patio, deck, outdoor furniture
Rustic furniture
Juvenile furniture
Hotel, dormitory, restaurant furniture
Kitchen Tables
Bar stools
Occasional tables
Antique reproduction furniture

Office and Store Fixture

Display cabinets
Department store fixtures
Store counters
Desks and Bookshelves

Upholstered Furniture

Sofas & chairs
Upholstered motel furniture
Upholstered motion furniture
Furniture Frames

Public Building and Related Furniture

Church furniture
Library furniture
School furniture
Computer Stations
Closet Systems

Examples of Value Added Wood Products

Hardwood Dimension & Flooring

Log home components
Furniture components, squares
Decking
Pallets
Flooring

Kitchen Cabinets

Kitchen cabinets & counter tops
Bathroom cabinets & vanities
Institutional cabinets
Entertainment cabinets
Doctor/Hospital cabinets
Laboratory cabinets

Millwork

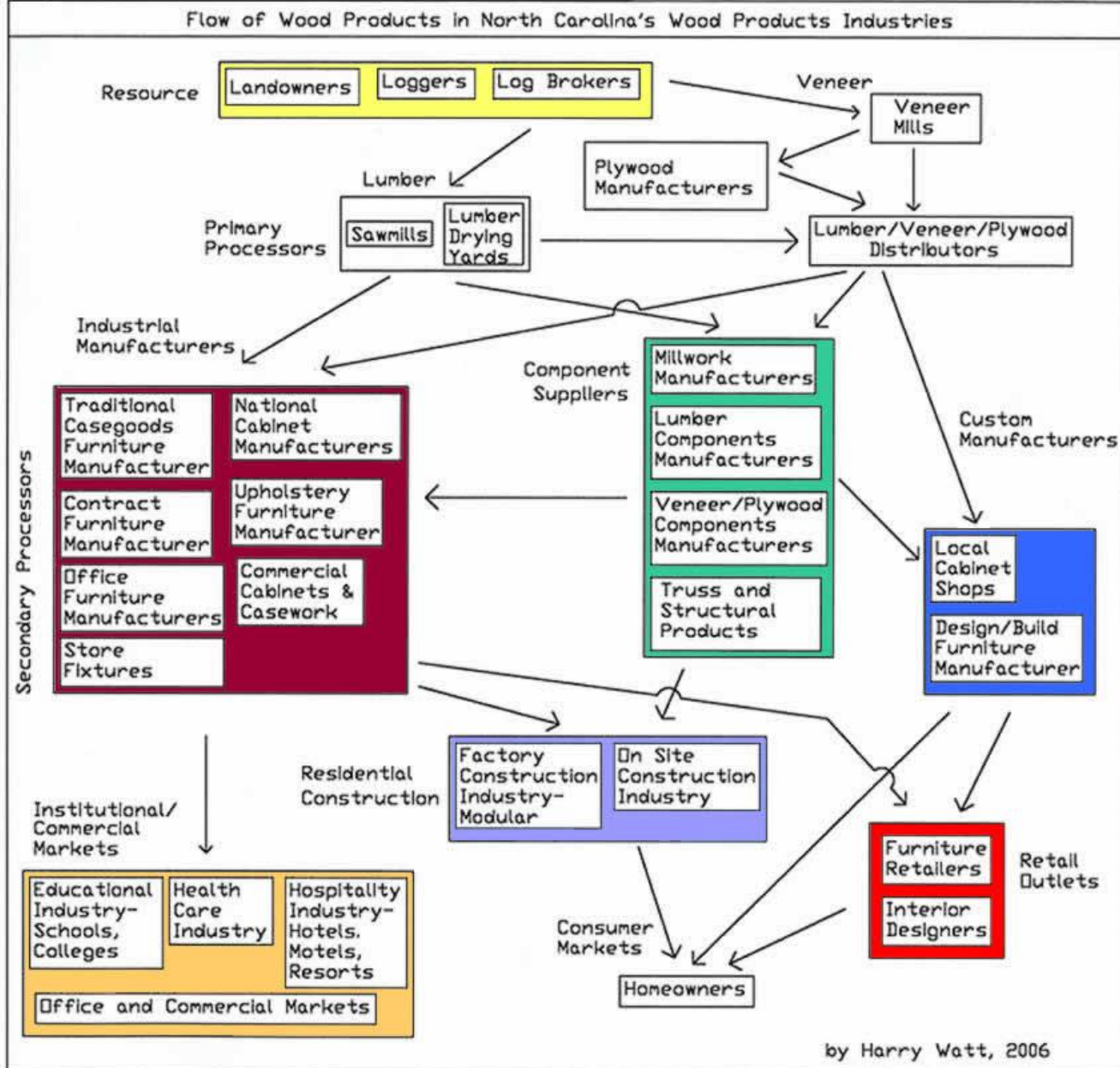
Architectural millwork
Mouldings, cabinets, stairs, handrails
Bookcases, mantels
Shutters
Windows & doors

Other Wood Products

Handicrafts, carved gifts, carved birds
Picture frames
Furniture turnings, carved parts
Tool handles
Boxes, Crates, Cable reels & spools
Dog houses, bird houses, survey stakes

Flow of Wood Products – Local Markets

NC STATE UNIVERSITY

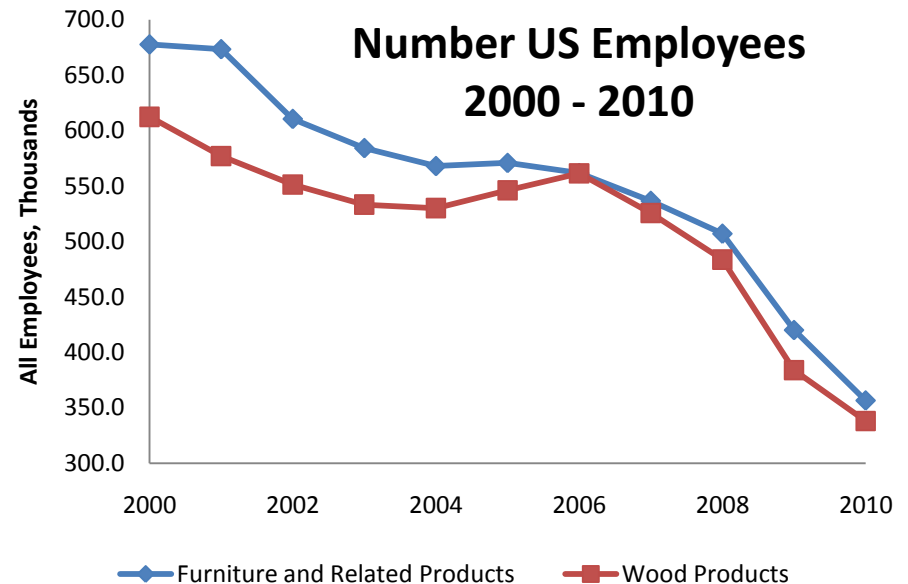


Flow of Wood Products

- Industrial manufacturers dominate in both sales and employees and have local and national customers.
- Custom manufacturing have flexibility and generally offer more customer attention/service.
- Institutional / commercial markets often served by national manufacturers with little customization ability.
- Consumer markets (homeowners) are offer opportunities for local, custom manufacturing, but there is a steep learning curve in dealing with homeowners.

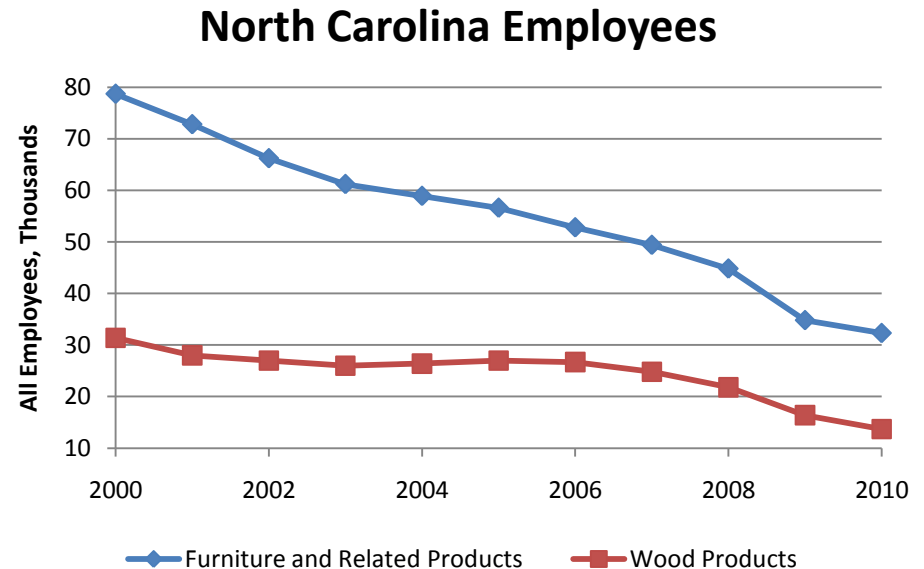
Competing in Today's Market

- In 2008, 64% of household furniture in US was imported.
- 300 major furniture plants have closed since January 2000.
- From January 2000 to January 2010 the number of Furniture and Related Product jobs have decreased by 47%; the number of Wood Product jobs have decreased 45%.



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Comparison of NC's Manufacturing Industries

- North Carolina's combined Forest Products Industries (wood products, furniture, & paper) employ more people than other manufacturing industries.
- The annual payroll of more than \$3 billion of combined NC Forest Products Industries leads the manufacturing industries.
- The combined Forest Products Industries rank 4th in the Value of Shipments and Value Added in manufacturing (behind chemical, beverage & tobacco, and food manufacturing).
- NC's combined Forest Products Industries rank 4th in New and Used Capital Expenditures (behind chemical, plastics & rubber products, and food manufacturing).

National Ranking of Forest Products Industries

Number of Employees

<u>Rank</u>	<u>Wood Prod. Mfg</u>	<u>Paper Mfg</u>	<u>Furniture & Related Prod.</u>
1	California	Wisconsin	California
2	Oregon	Pennsylvania	North Carolina
3	Wisconsin	California	Texas
4	Pennsylvania	Georgia	Indiana
5	Texas	Texas	Mississippi
6	North Carolina	North Carolina	Michigan

National Ranking of Forest Products Industries

Annual Payroll

<u>Rank</u>	<u>Wood Prod. Mfg</u>	<u>Paper Mfg</u>	<u>Furniture & Related Prod.</u>
1	California	Wisconsin	California
2	Oregon	Pennsylvania	North Carolina
3	Wisconsin	California	Michigan
4	Pennsylvania	Georgia	Texas
5	Texas	North Carolina	Indiana
6	North Carolina	Texas	Pennsylvania

National Ranking of Forest Products Industries

Total Value of Shipments

<u>Rank</u>	<u>Wood Prod. Mfg</u>	<u>Paper Mfg</u>	<u>Furniture & Related Prod.</u>
1	Oregon	Wisconsin	California
2	California	Pennsylvania	North Carolina
3	North Carolina	Georgia	Michigan
4	Texas	California	Indiana
5	Pennsylvania	Texas	Texas
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National Ranking of Forest Products Industries

Value Added

<u>Rank</u>	<u>Wood Prod. Mfg</u>	<u>Paper Mfg</u>	<u>Furniture & Related Prod.</u>
1	California	Wisconsin	California
2	Oregon	Pennsylvania	Michigan
3	North Carolina	Georgia	North Carolina
4	Pennsylvania	California	Indiana
5	Wisconsin	Texas	Texas
6	Texas	North Carolina	Pennsylvania

National Ranking of Forest Products Industries

All Forest Products Industries

<u>Rank</u>	<u>Number of Employees</u>	<u>Annual Payroll</u>	<u>Value of Shipments</u>	<u>Value Added</u>
1	California	California	California	California
2	North Carolina	Wisconsin	Wisconsin	Wisconsin
3	Wisconsin	North Carolina	Pennsylvania	Pennsylvania
4	Pennsylvania	Pennsylvania	North Carolina	North Carolina
5	Texas	Texas	Georgia	Georgia

QUESTIONS ?