

# kentucky WOODLANDS

## ***Economic Impact of Kentucky's Forest and Wood Industry***

Photo courtesy: Renee' Williams

The University of Kentucky College of Agriculture Departments of Forestry and Agricultural Economics have conducted an economic impact study of Kentucky's forest and wood industry. "Woodland owners and forest industries provided Kentucky with a significant source of revenue. When spent throughout the economy it created nearly \$10 billion in total economic impact. Since timber is grown in every county, and wood industries exist in 109 counties, the forestry sector is important to both rural and urban economies. This revenue is also important to those agencies, industries, organizations and landowners who comprise the forestry sector," said Dr. Jeff Stringer who is one of the authors of the study. The complete study will be released in early 2013.

Statewide averages show Kentucky's forests are growing twice as much volume than is being harvested or lost to mortality annually. Timber prices of many species continue to fluctuate with some markets starting to stabilize, including the pulpwood, railroad tie and the stave markets.

The study included an input-output analysis of Kentucky's forest products industry using Impact Analysis for Planning (IMPLAN®). Additional data was analyzed from a variety of government sources including the U.S. Forest Service's Forest Inventory and Analysis (FIA), Timber Product Output (TPO) programs and the Division of Forestry's Growing Gold quarterly marketing report.



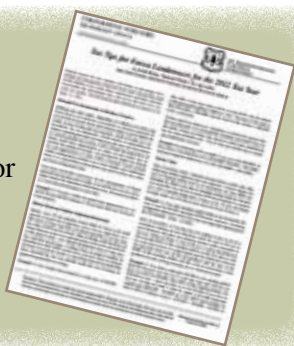
*Dr. Jeff Stringer presenting the findings from the Economic Impact of Kentucky's Forest and Wood Industry at the Kentucky Farm Bureau annual meeting.*

### ***Kentucky's forest and wood industries economic impact in 2012:***

- Contribute \$9.992 billion to the state's economy in 2012 including \$6.357 billion in direct impact.
- Provide 51,928 jobs (2.7 percent of Kentucky's total employment) with 24,262 directly employed by the wood/paper and logging industries.
- Provide employment opportunities in 109 of the 120 counties.
- Provide \$1.25 billion in wages in 2012.
- Rank in the top three nationally in hard wood production and are ranked first in the South for sawlog and veneer production.

## ***Woodland Owner Tax Tips for 2012***

Check out the latest Tax Tips for woodland owners available at [www.ukforestry.org](http://www.ukforestry.org)



## ***Upcoming Dates To Remember:***

Date:	Event:	Location:	Contact:
March 23, 2013	Ohio River Valley Woodland and Wildlife Workshop	Clifty Inn, Madison, IN	<a href="http://tristatewoods.org">tristatewoods.org</a>
April 2-4, 2013	3 <sup>rd</sup> Conference on Invasion Biology, Ecology, and Management	Lexington, KY	859.257.3780
April 3-5, 2013	KFIA Annual Meeting	Lexington, KY	502.695.3979
April 9-10, 2013	KWOA Annual Meeting	Blue Licks State Resort Park	606.876.3423
Sept. 20-21, 2013	Kentucky Wood Expo	Lexington, KY	502.695.3979

# NEWS TO USE

## *Saga on Forest Road Permitting Continues...*

Recently, the U.S. Supreme Court heard a case involving logging roads that challenged their exemption from storm water permitting. Up to this time the EPA has a rule that exempts silvicultural activities (including logging) from having to have a storm water permit. Several years ago an environmental group in the Pacific Northwest took Oregon's state forestry agency and forest industry to court alleging that logging roads should be viewed as an industrial activity and not allowed to be part of the silvicultural exemption. The courts findings indicated that logging roads should be classified as an industrial activity and as such the EPA would have to require storm water permits for logging roads. If upheld by the Supreme Court logging operations in the Pacific Northwest would have to deal with permitting. Further, environmental organizations in all other regions of the U.S. would follow suit and litigate logging road exemptions. To-date EPA has indicated that they have not wanted to require logging, including the building of logging roads, to obtain permits. The U.S. Supreme Court heard the case on December 3, 2012 and will rule within the next several months. However, the EPA threw a wrench in the cog when one business day before they issued a new ruling regarding this case. Everyone believes that the new

ruling did not change anything significantly, i.e. the EPA still does not believe that logging roads are an industrial activity. However, the fact that EPA came out with a new ruling did not give anyone time, including the Justices, to review it before the hearing. Due

to this anomaly it may be a possibility that the Court throws this issue back the Ninth Circuit. Christopher Reeves, Extension Forestry Associate with the Department of Forestry at UK, was at the Supreme Court for the hearing as well as present for debriefing with forestry policy makers. Most of these influential individuals indicated that regardless of the outcome there is a very good possibility that there will be continued litigation around this issue. For more background on this check out the UK Forestry Extension blog archive at <http://ukforestryextension.blogspot.com>



*A forest road in eastern Kentucky.*

Photo courtesy: Kentucky Department of Natural Resources

## *Kentucky's State Forests Attain Tree Farm Certification*

Ten state forest properties owned by the Kentucky Division of Forestry (KDF) or jointly-owned by KDF and the Kentucky Department of Fish and Wildlife Resources were recently awarded American Tree Farm certification through the Center for Forest and Wood Certification's Independently Managed Group. The properties – totaling 43,327 acres – are owned and managed for the purpose of recreation, wildlife management, timber production, and demonstration of sound forest management methods.

"Tree Farm certification recognizes that our state forests are well-managed and our work on state forests is verified by independent third party auditors," said Leah MacS-

words, director of KDF. "The certification of Kentucky's state forests with the Center for Forest and Wood Certification's American Tree Farm System group indicates KDF's commitment to sustainable management of the Commonwealth's forests," said Dr. Jeff Stringer, UK forestry specialist and director of operations at the Center for Forest and Wood Certification. "While certainly the division has undertaken excellent

management of our state forests for some time, the third party certification that it has recently undergone acknowledges this fact." For more information about forest certification visit <http://forestcertificationcenter.org/>



### Answers from KWM Vol. 7 Issue 1

1. c) 4. d)
2. b) 5. c)
3. d) 6. a)



### Test Your Knowledge Review

Congratulations to J. Woolridge of Marion County. He was randomly chosen from the entries from the last quiz. Thank you Kentucky Woodland Owners Association for donating \$50 gift certificates for Test Your Knowledge.