

Healthy Working Landscapes Provide Economic Boon for Vermonters

By Steve Sinclair, FPR Forestry Division



Vermont's Working Forests Sustain Us

The economic importance of Vermont's working landscape has seen considerable attention of late. Vermont has a well-deserved reputation for its agricultural products, but with a state that is over seventy-five percent forested, goods and services provided through forest stewardship, management and conservation are equally important. From firewood to lumber, biomass to fine furniture, carbon sequestration to clean water, our forests have value. Forest-based manufacturing and forest-related recreation and tourism are significant economic drivers for Vermont, resulting in a substantial contribution to our state's economy. Throw in clean air and water, and we truly have a forest that "works for all".

Let's look at the numbers. Approximately 6,600 workers are employed in the forest products, maple and Christmas tree sectors, and their efforts generate \$861 million in annual sales. When you factor in the multiplier effect that this sector has on other parts of the economy, the total economic output is over \$1.4 billion. One other side to the forest-based economy, forest-based recreation, also plays an important role, contributing nearly as many jobs and generating even more revenue than the wood-based economy. Recreation provides 10,050 jobs and generates annual revenues of \$1.9 billion.

Who are these workers? The forest-based economy includes all activities that go into harvesting forest products and turning them into usable goods. It starts with the foresters, loggers and truckers that manage, harvest and transport raw materials to various processing markets. Primary products include solid wood products from sawmills, veneer mills, mills that reconstitute wood chips into other products, and chips for wood energy facilities. Secondary manufacturers employ skilled labor that use these primary products to make finished goods such as furniture, moldings, and turned wood products. Recreation-based jobs associated with camping, hiking, hunting, downhill and cross-country skiing, snowmobiling (to name a few), all contribute to service and retail based employment.

This is not to say that there aren't challenges. The logging business sector is old and getting older. Fifty-eight percent of the owners of logging businesses in Vermont are over 50 years old. In terms of output and employment, it is dominated by a small but growing number of businesses using the latest equipment in order to meet high production levels. The volume of wood harvested from Vermont's forest has dropped from 1.4 million cords in 1997 to just under a million cords in 2011. Issues with the potential to affect the future forest economy in Vermont include land being removed from active management, the impacts from climate change, and the potential loss of markets. On the plus side, recognition of the full suite of services that forests provide vital to human health and livelihood may show monetary reward to forest landowners. Carbon storage is the only service that people are currently placing a value on, but more will come in time.

Managing forests sustainably involves a recognition of the ecological, social, and economic systems necessary to maintain forest health while providing benefits for this and future generations. Forests have value, and with proper care, they truly can work for all.