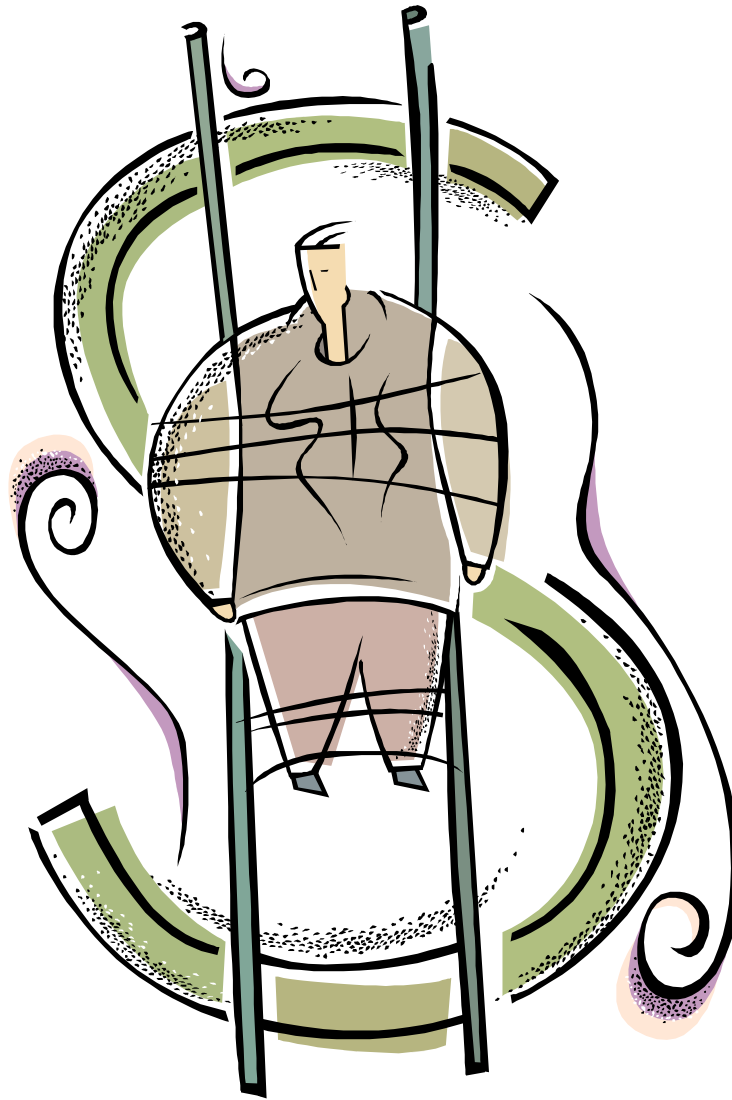
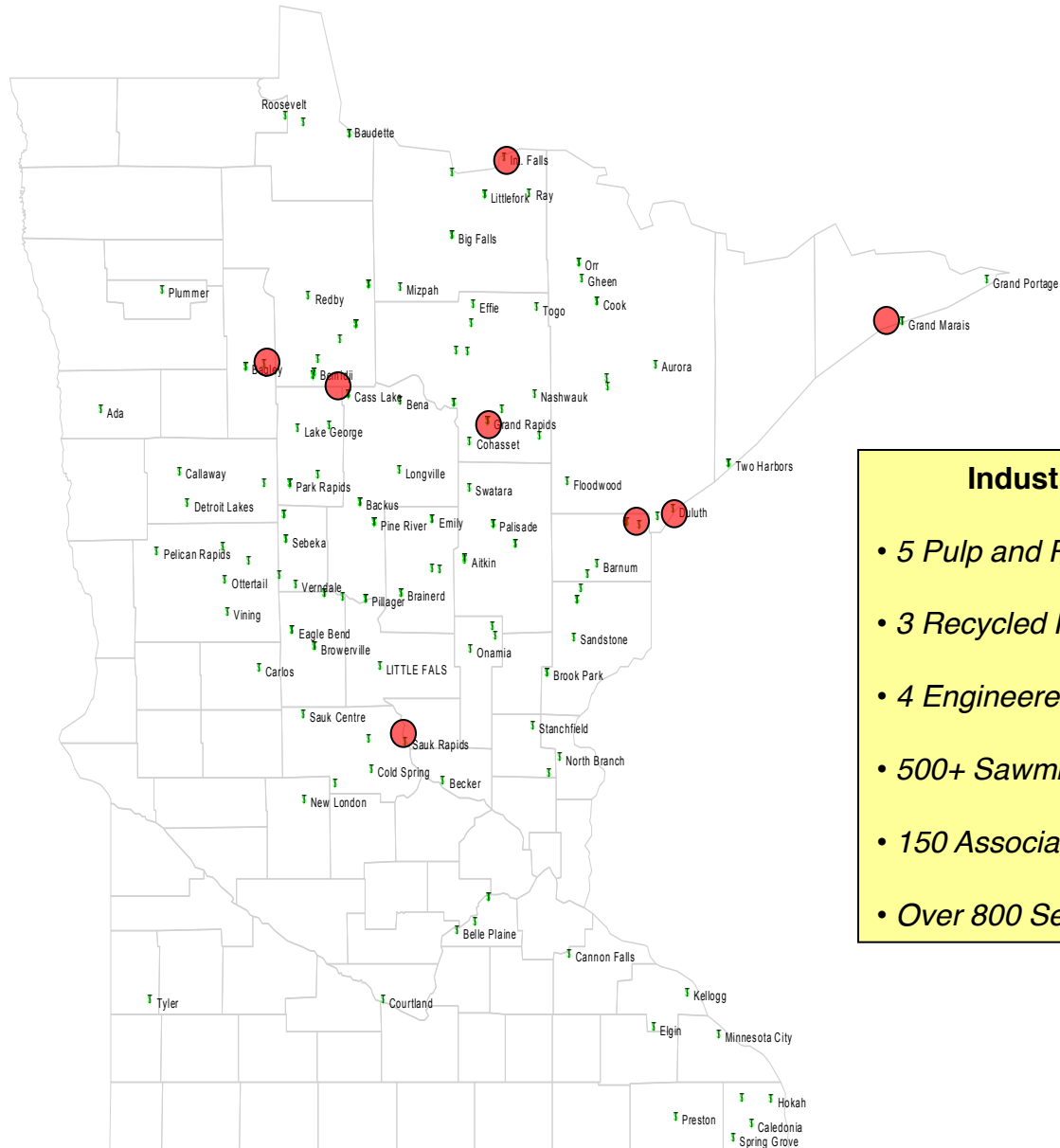


Economic Importance of the Forest Products Industry



Primary Mill Locations



Industry

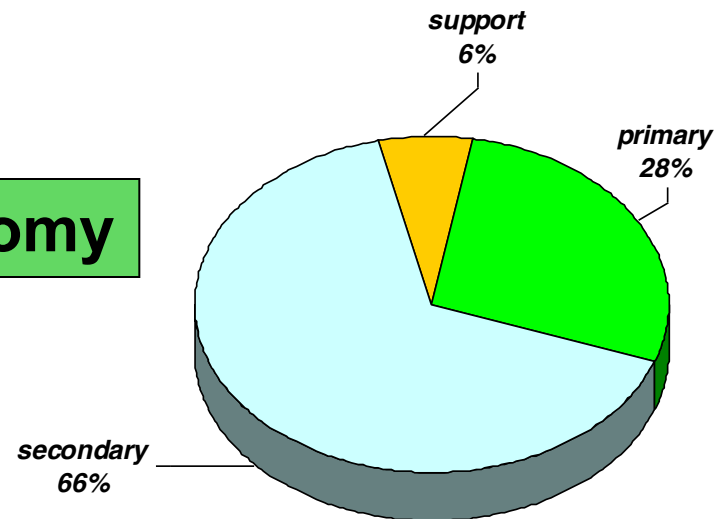
- 5 Pulp and Paper Mills
- 3 Recycled Pulp & Paper
- 4 Engineered Wood Products
- 500+ Sawmills
- 150 Associated Specialty Businesses
- Over 800 Secondary Manufacturers

Economic Impact of the Forest Products Industry 2010

Value of Outputs (value of production)

Primary Forest Product Manufacturing	<u>\$2.9 Billion</u>
<i>Secondary Forest Products Manufacturing</i>	<u>\$6.8 Billion</u>
<i>Forestry and Logging (support activities)</i>	<u>\$671 Million</u>
<u>Total value</u>	<u>\$10.4 Billion</u>

Minnesota's \$10 Billion Economy



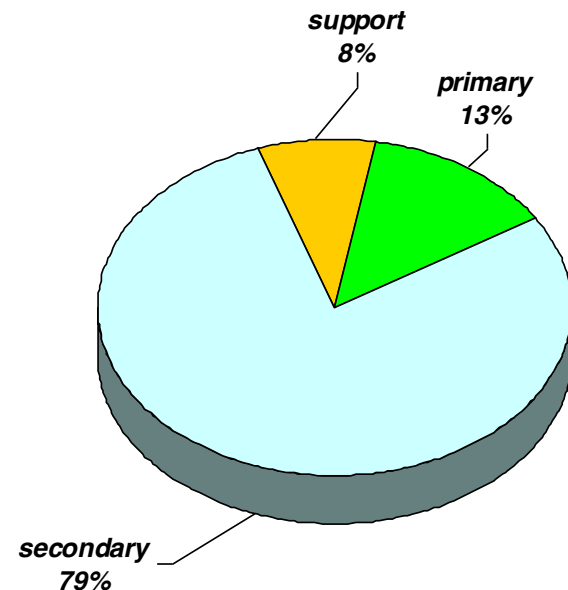
Direct Employment of the Forest Products Industry 2010

Employees

Primary Forest Product Manufacturing	<u>5,353</u>
<i>Secondary Forest Products Manufacturing</i>	<u>31,743</u>
<i>Forestry and Logging (support activities)</i>	<u>3,273</u>
<u>Total employment</u>	<u>40,368</u>

More than 40,000 direct employees

- Additional jobs created
 - Indirect 24,289
 - Induced 28,082
 - 4th largest manufacturing industry in state

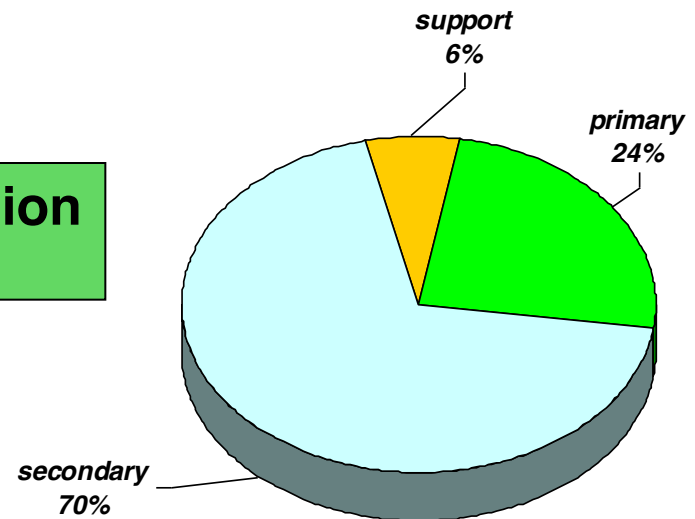


Employment of the Forest Products Industry 2010

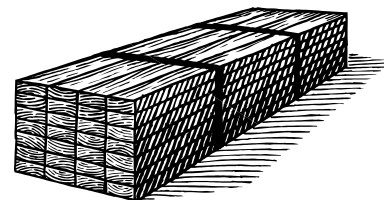
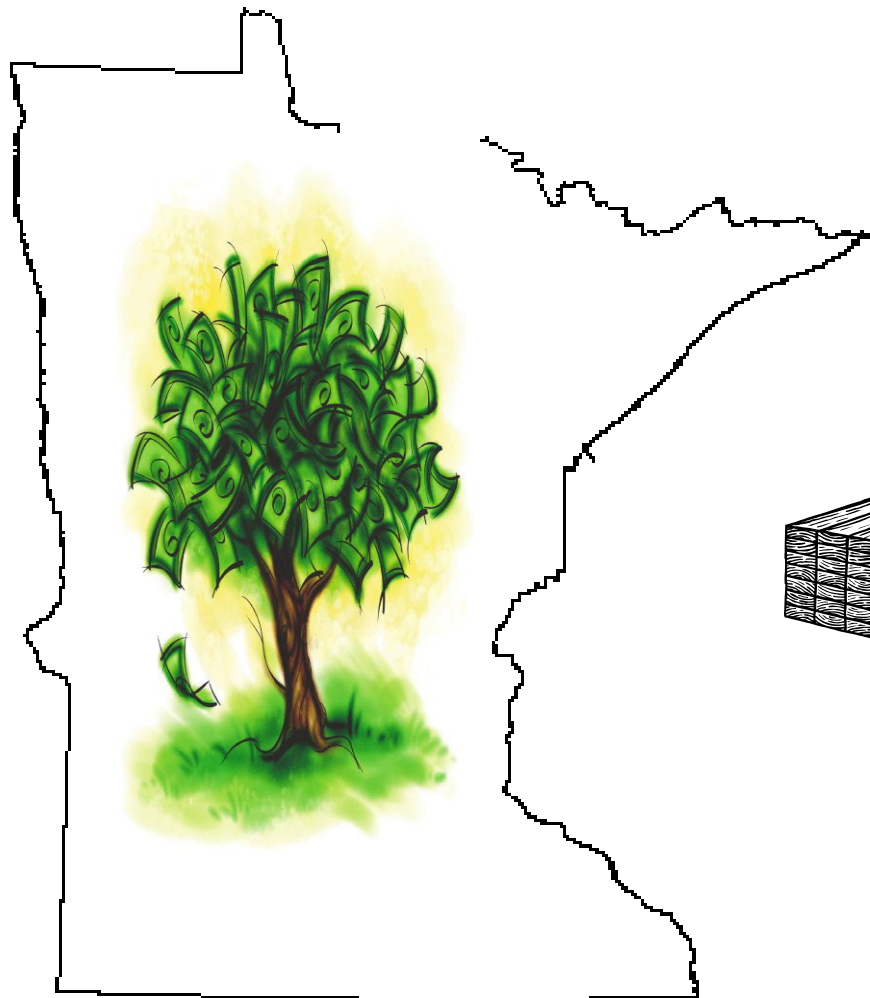
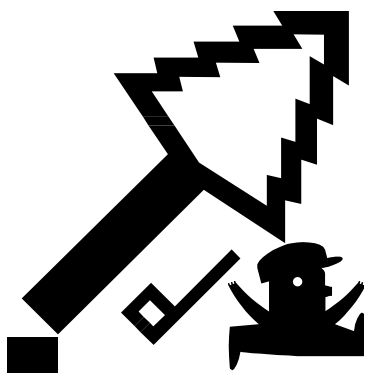
Value Added (wages and profits)

Primary Forest Product Manufacturing	<u>\$776 Million</u>
<i>Secondary Forest Products Manufacturing</i>	<u>\$2.2 Billion</u>
<i>Forestry and Logging (support activities)</i>	<u>\$201 Million</u>
<u>Total employment</u>	<u>\$3.2 Billion</u>

Wages paid in excess of \$1.8 Billion
• Total value added \$3.2 Billion



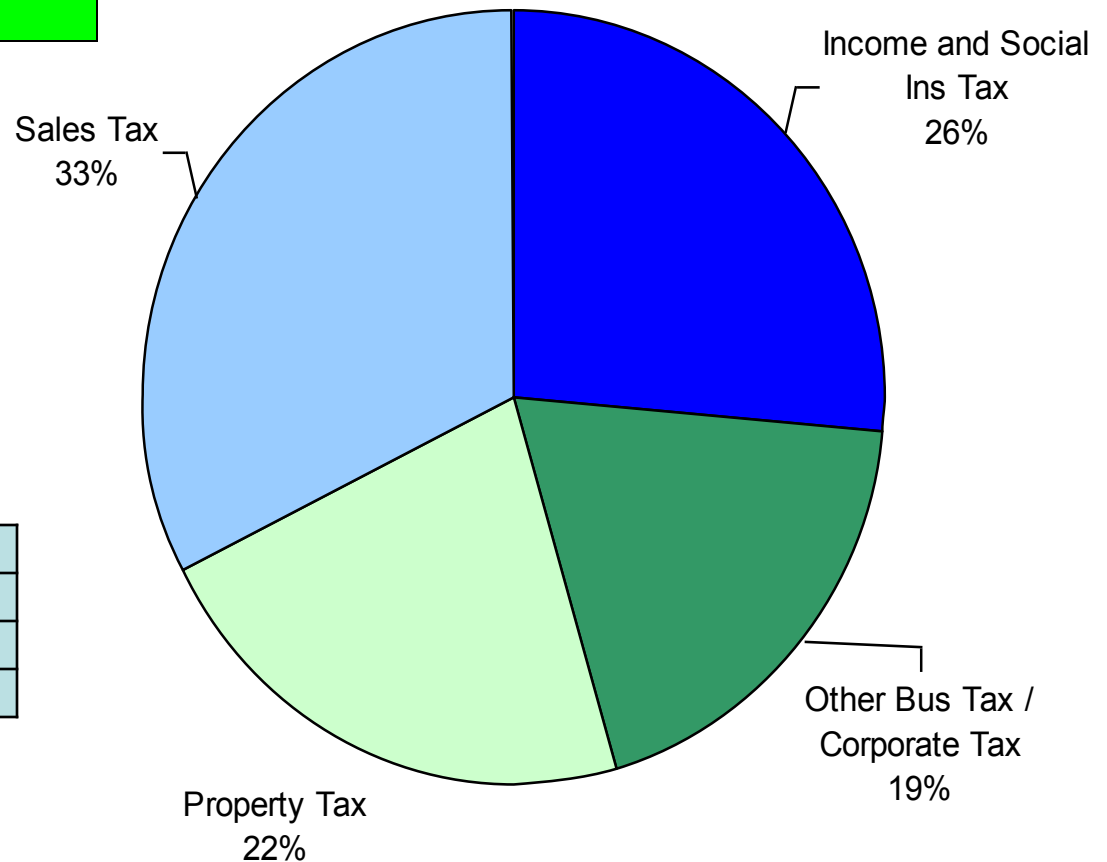
State Revenues Collected from Forest Products Industry



State and Local Taxes Collected from Forest Products Industry 2010

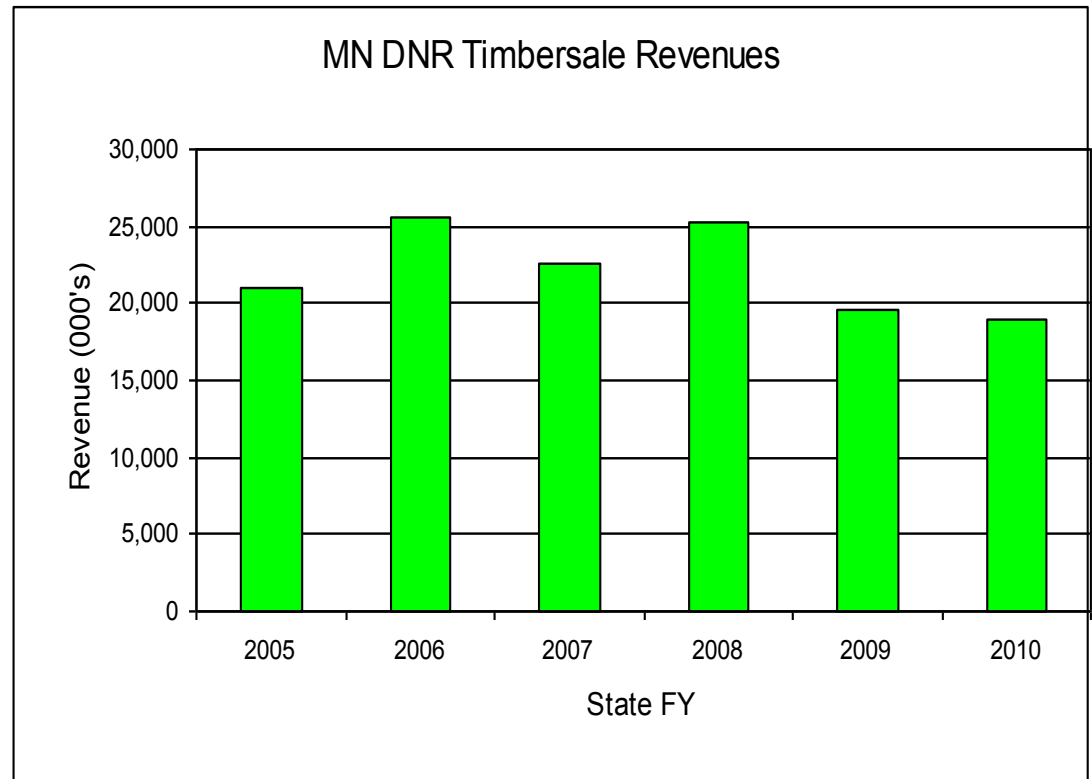
State and Local tax revenues exceed \$715 million annually as a result of the forest products industry economic activity.

<i>Income and Social Ins Tax</i>	\$	189,120,828
<i>Other Bus Tax / Corporate Tax</i>	\$	136,424,934
<i>Property Tax</i>	\$	157,099,237
<i>Sales Tax</i>	\$	233,088,976

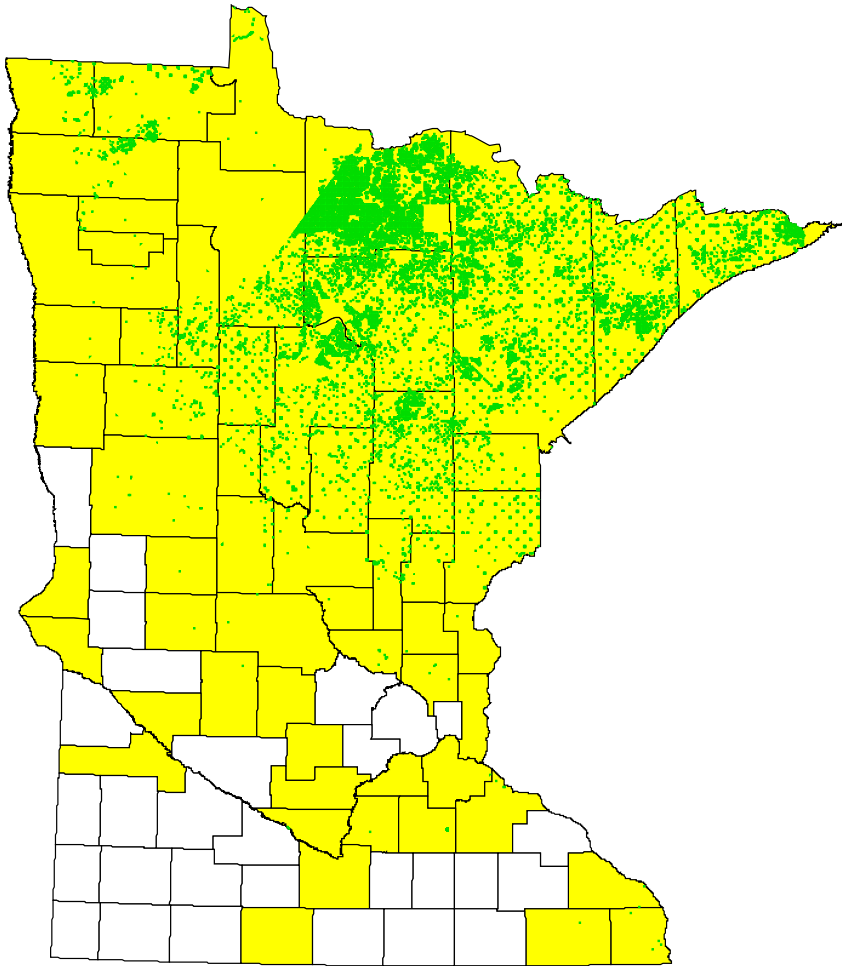


State Revenues Collected from Forest Products Industry

- From 2005-2010 the state timber sale revenues have averaged more than \$22 million, annually.
- For every FTE the state invests in the timber program more than \$250 thousand are generated in timber sale revenue.
- Every dollar spent to purchase timber generates more than \$41 of economic activity.



Minnesota DNR – School Trust Lands

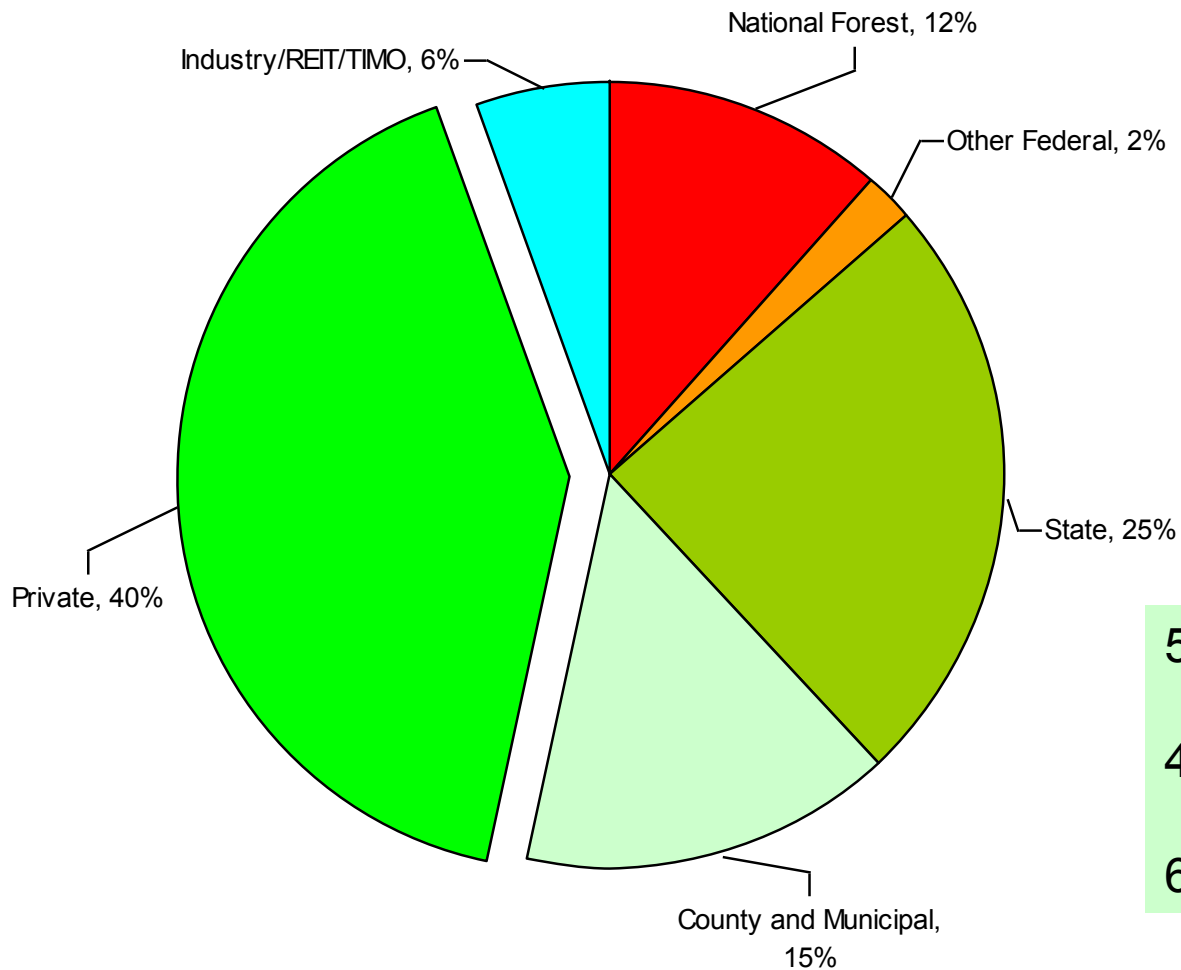


- Established by U.S. Congress when new states joined the Union. MN entered the Union in 1858.
- Income earned from the School Trust Principal is distributed to schools. In 2009, \$27 million was distributed to public schools.
- MN has nearly 2.5 million acres of School Trust Land throughout the majority of MN counties.
- Sixty percent of the School Trust Land is considered commercial forest land.
- Revenue generated by timber harvest from these lands exceeds \$10 million annually, a portion of this revenue is returned to the “trust” account.
- Opportunities to increase revenues from School Trust Lands is possible through improved forest management.

Forest Land Ownership and Harvest



Minnesota's Timberland Ownership – 15.4 Million Acres



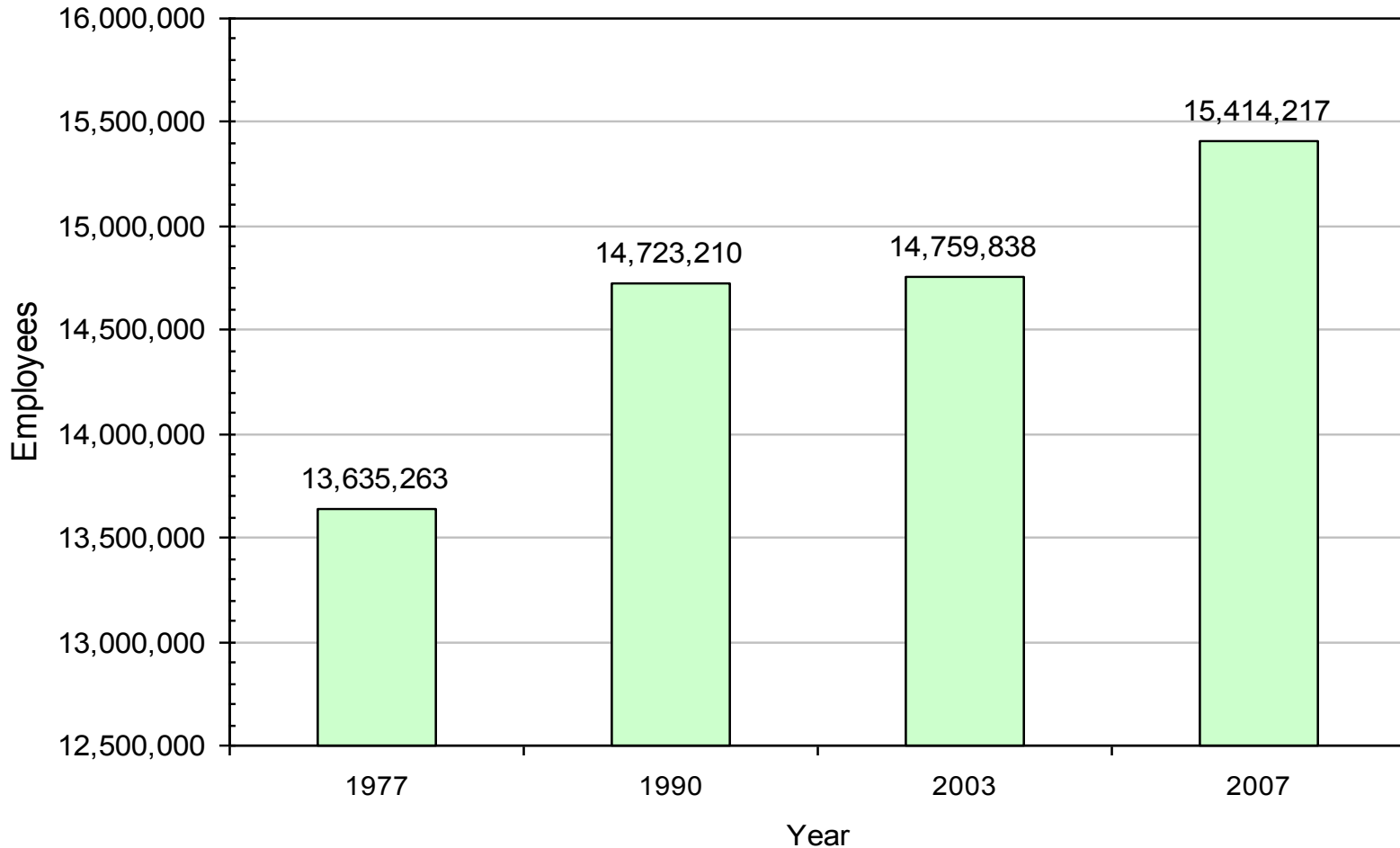
54% public

40% Family forests

6% large corporate/industrial

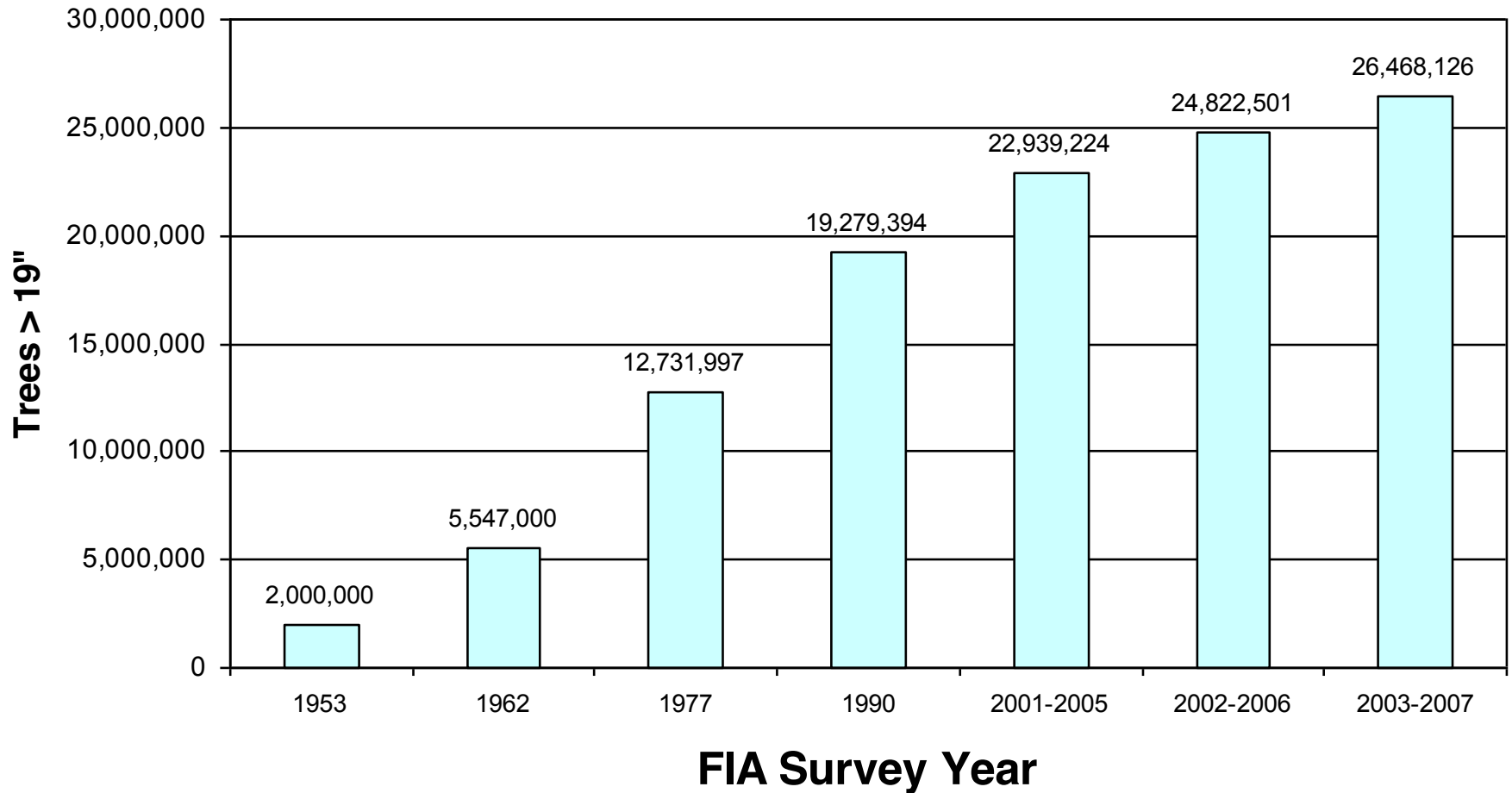
Minnesota Timberland Acreage

Timberland acreage has increased 1.8 million acres in the last 30 years



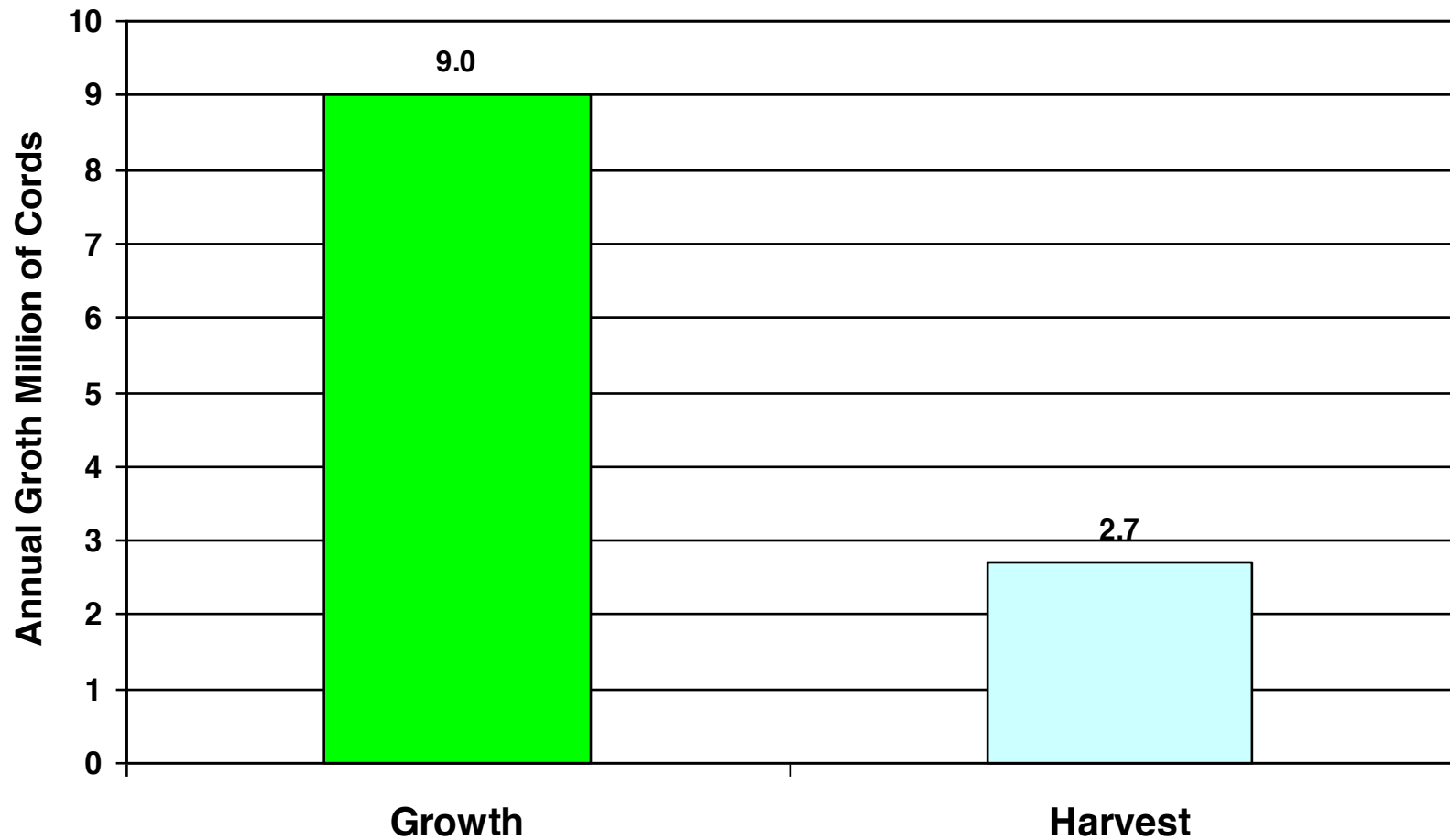
Minnesota Timberland—Trees Greater than 19 inches in Diameter

Number of Trees Greater than 19" in Diameter on Timberlands/Forest Lands in MN



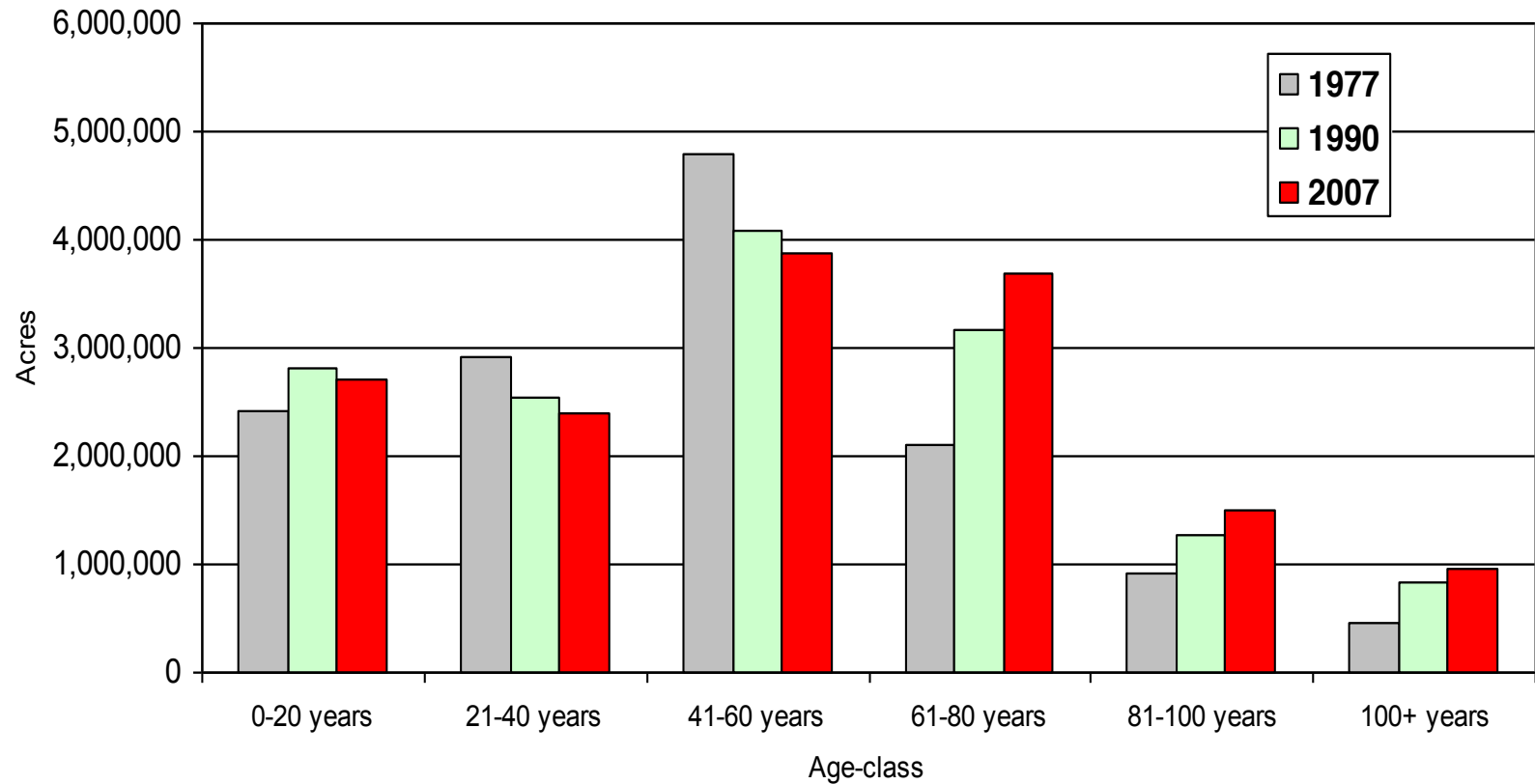
Minnesota Timber Volume Harvested Compared with Annual Growth (2008)

We Grow More than we Harvest



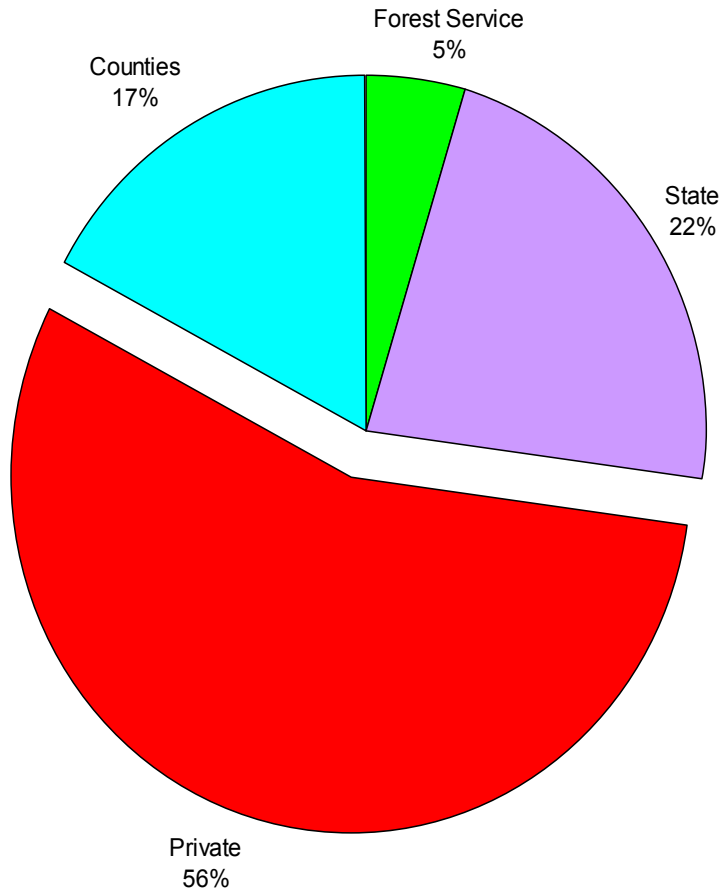
Minnesota Timberland Age-class

Minnesota Timberland Age-Class

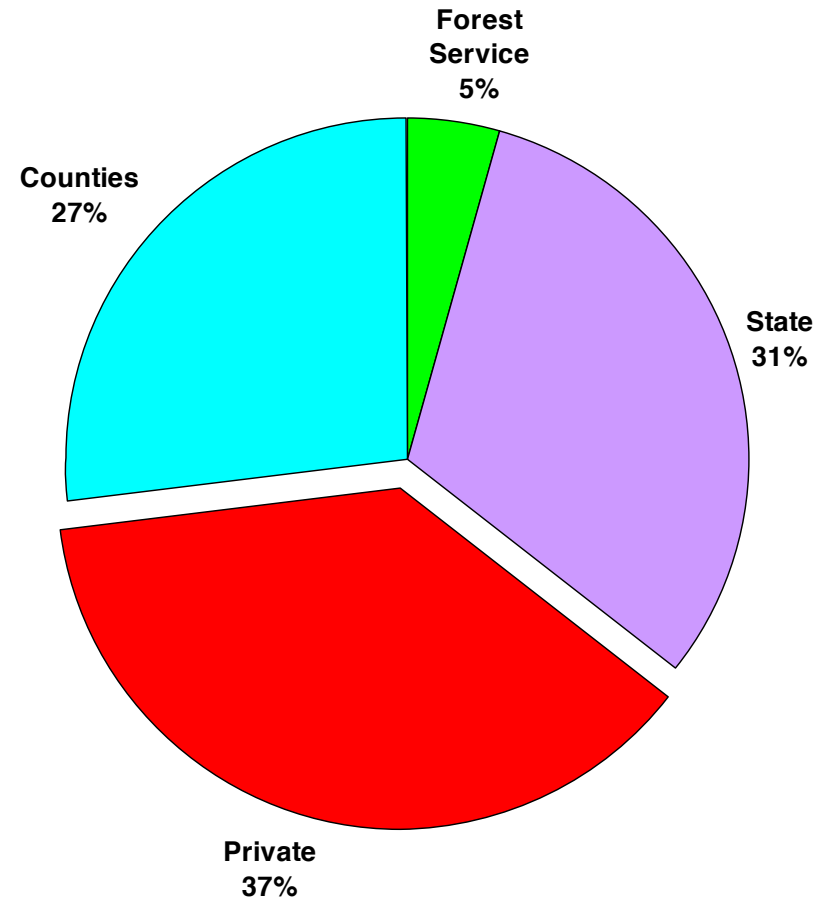


Who Supplies the Timber—2005 and 2009

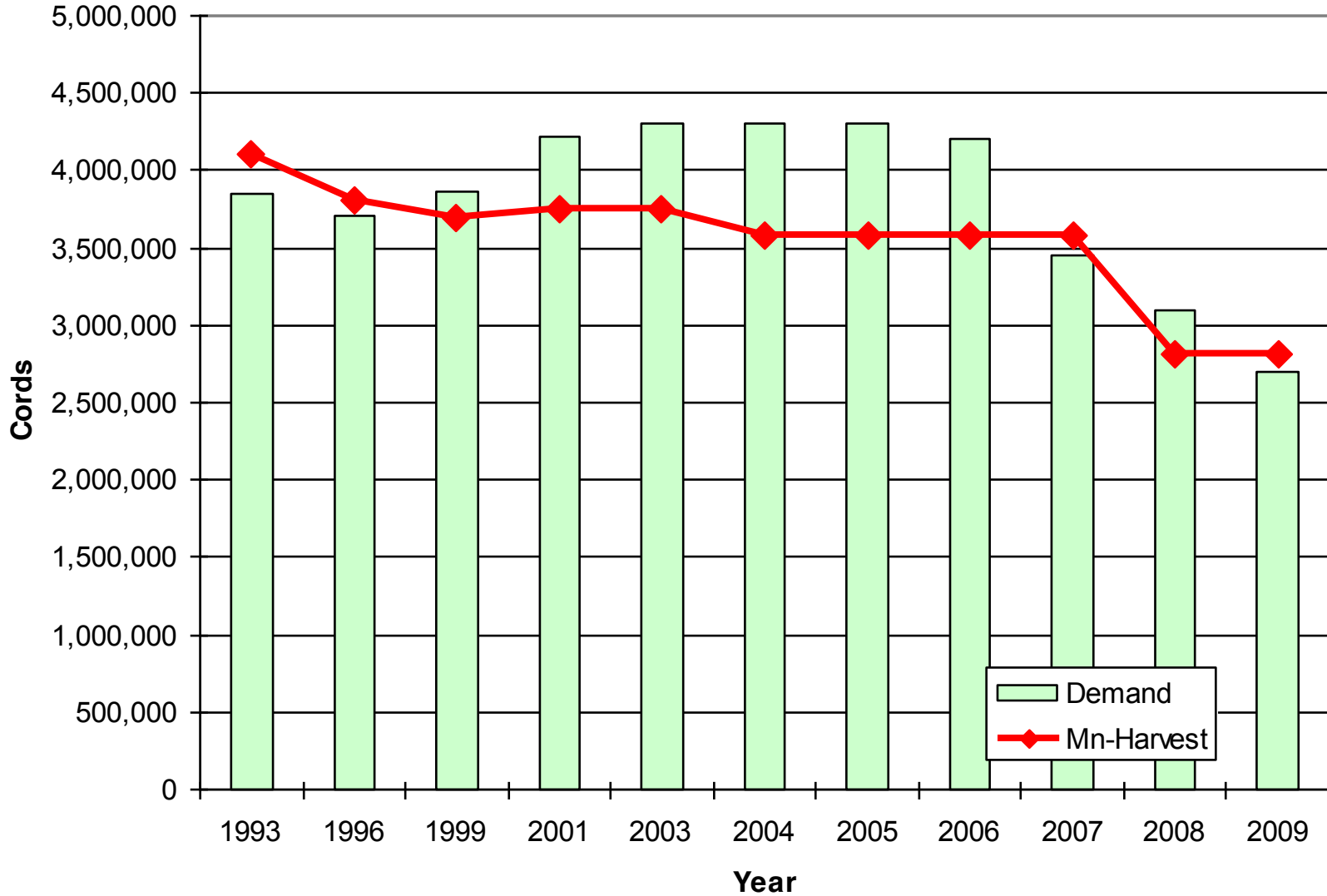
2005



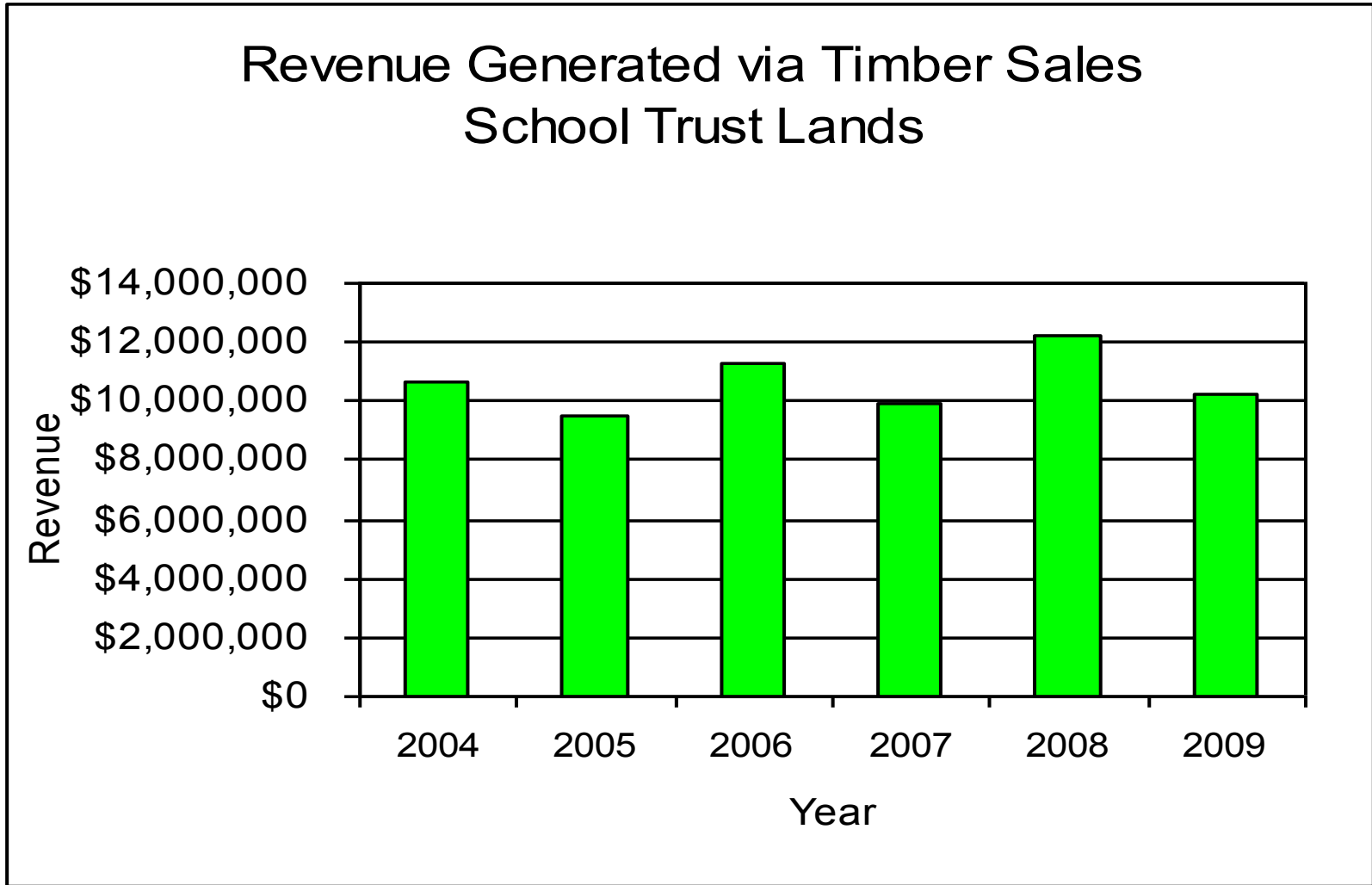
2009



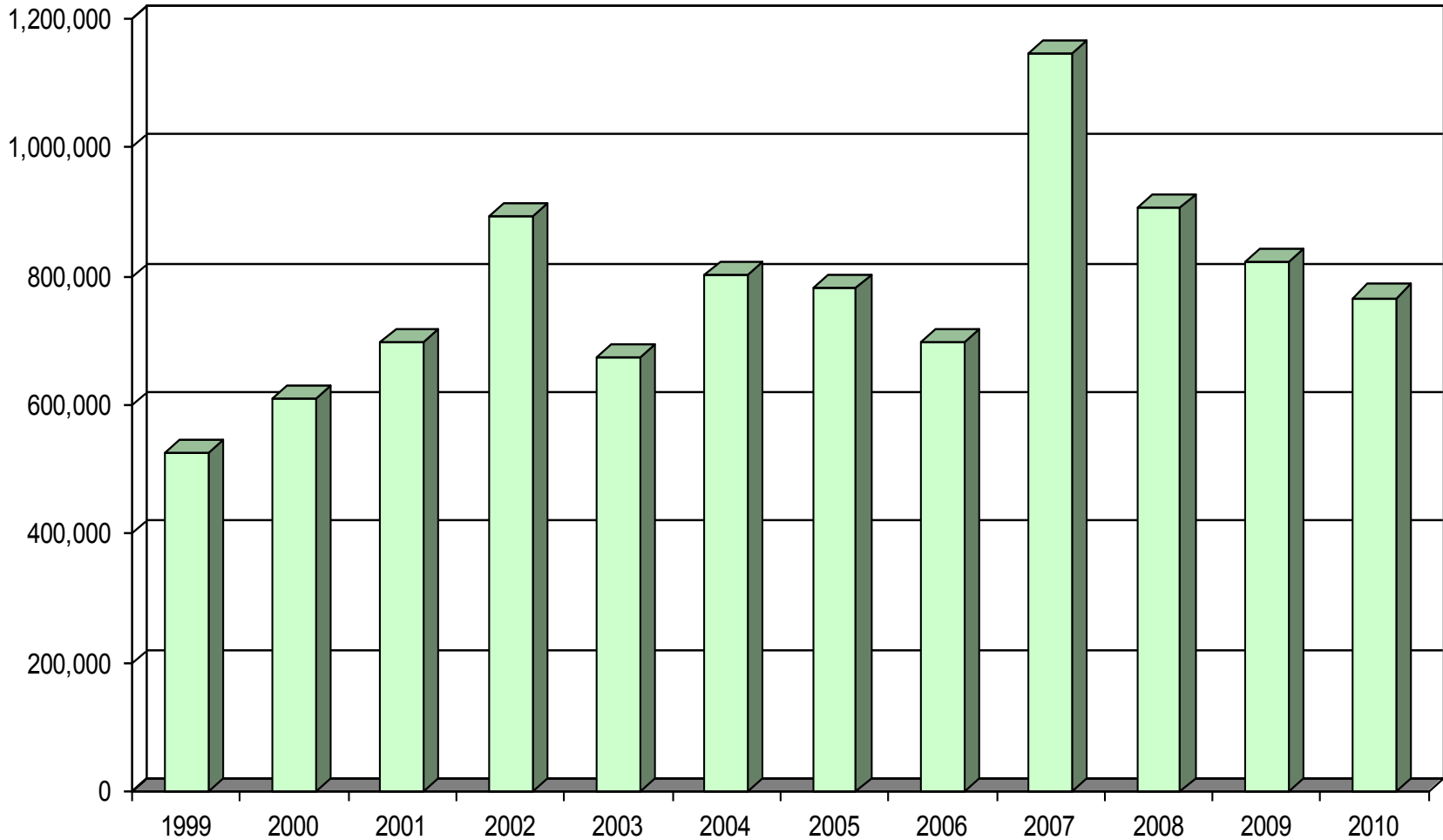
Harvest Compared with Industrial Demand--MN



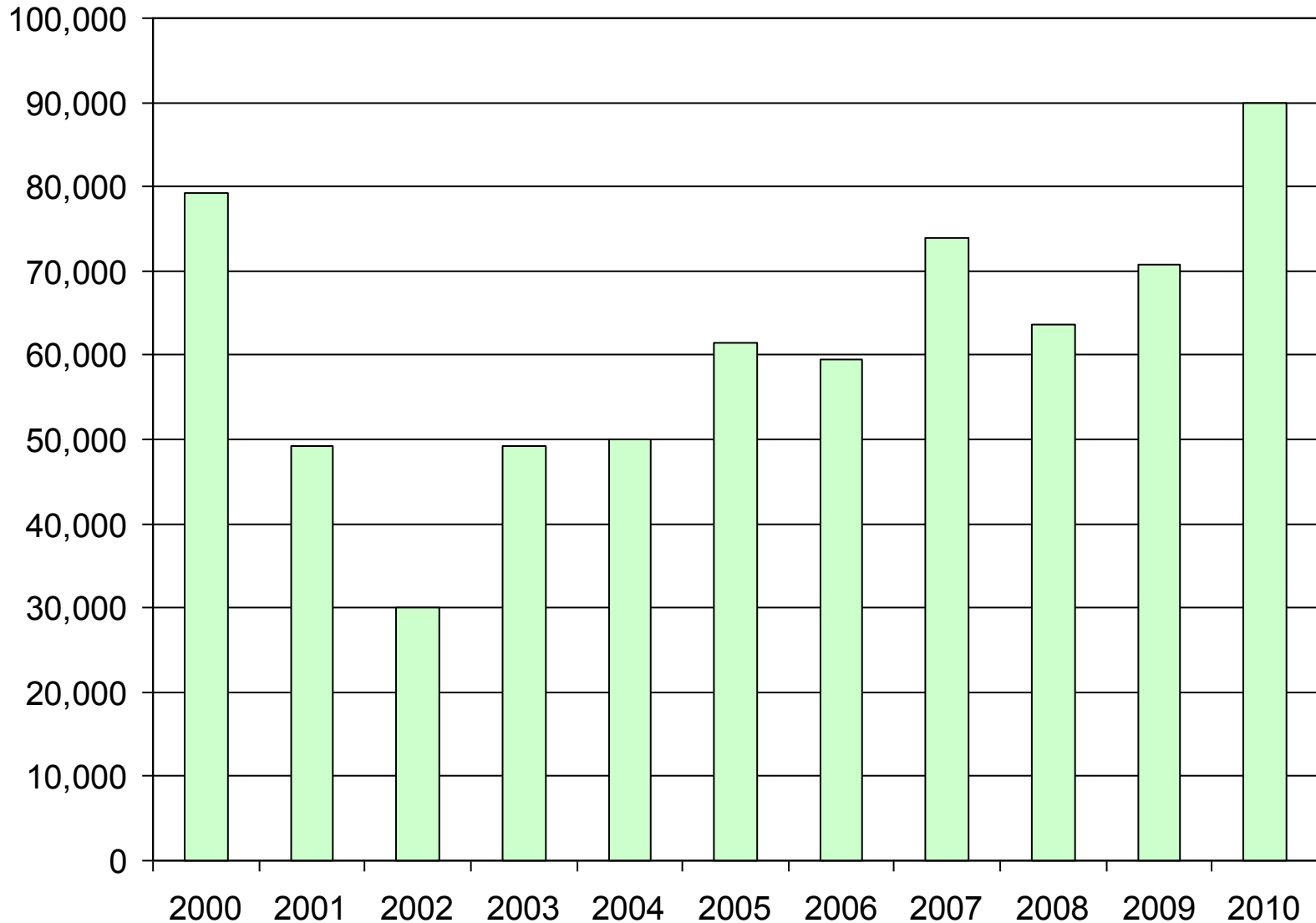
Minnesota DNR – School Trust Lands



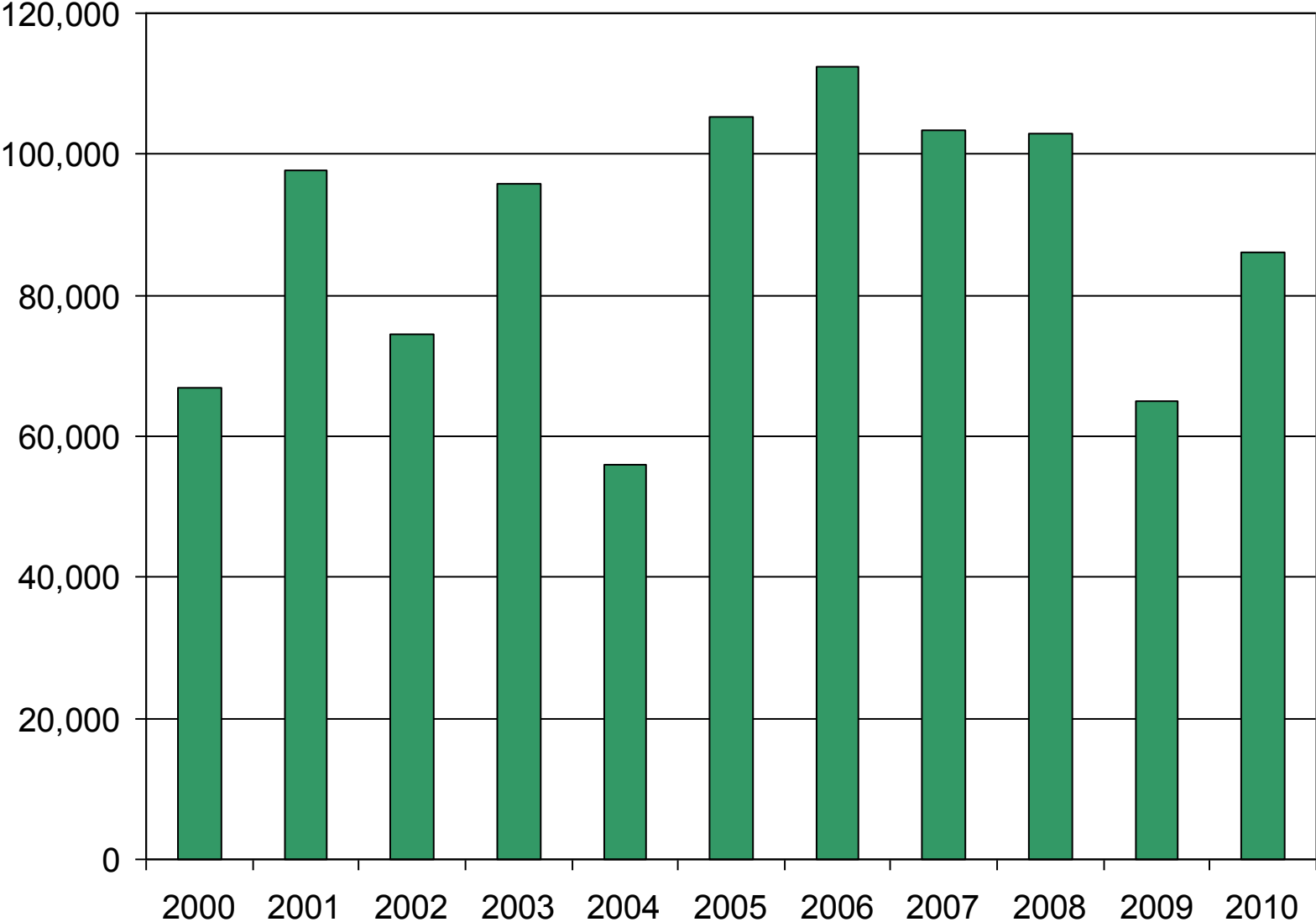
Minnesota DNR – Timber Volume Sold (Cords)



Chippewa National Forest – Timber Volume Sold (Cords)



Superior National Forest – Timber Volume Sold (Cords)



Source: USFS

MN County Timber Programs – Timber Volume Sold (Cords)

