

Montana's Wood Products Industry: Lumber Prices Retreat, Labor Woes Continue

Montana Economic Outlook Seminar

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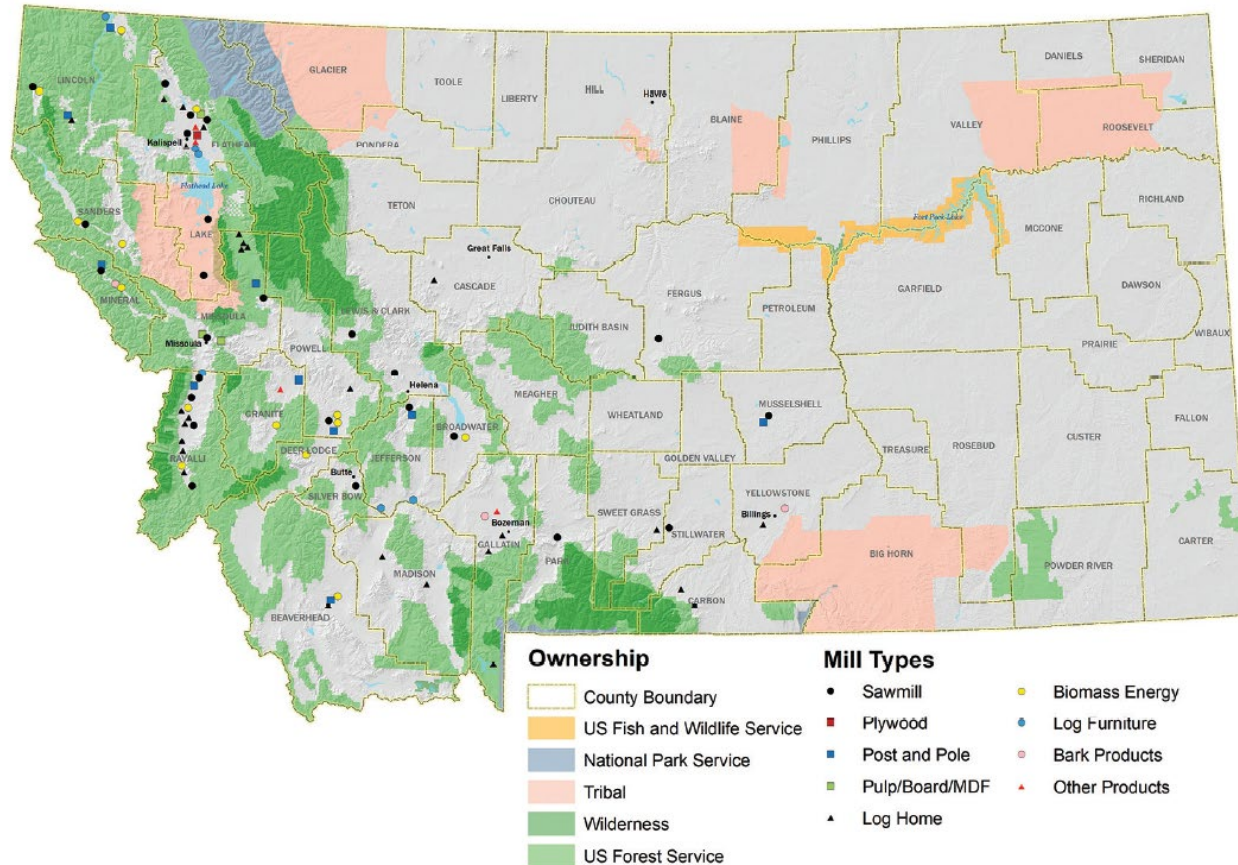
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Montana's Forest Industry

Montana Forest Industry Overview



- About 90 facilities
- 20+ sawmills
- Plywood, MDF, particleboard
- Log homes, post & pole, chip
- Pellets, bark, fuels-for-schools

- Recent news
 - IFG St. Regis (closed)
 - R-Y Townsend (closed)
 - R-Y Livingston (fire)



Montana Forest Industry Overview

	2004	2012	2021	2022
Workers (private sector)	10,006	7,280	8,119	7,882
Primary sales (millions, 2022)	\$1,459	\$570	\$855	\$616
Timber harvest (MMBF-Scribner)	713	368	340	325
Lumber production (MMBF-LT)	985	532	438	342

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, BBER

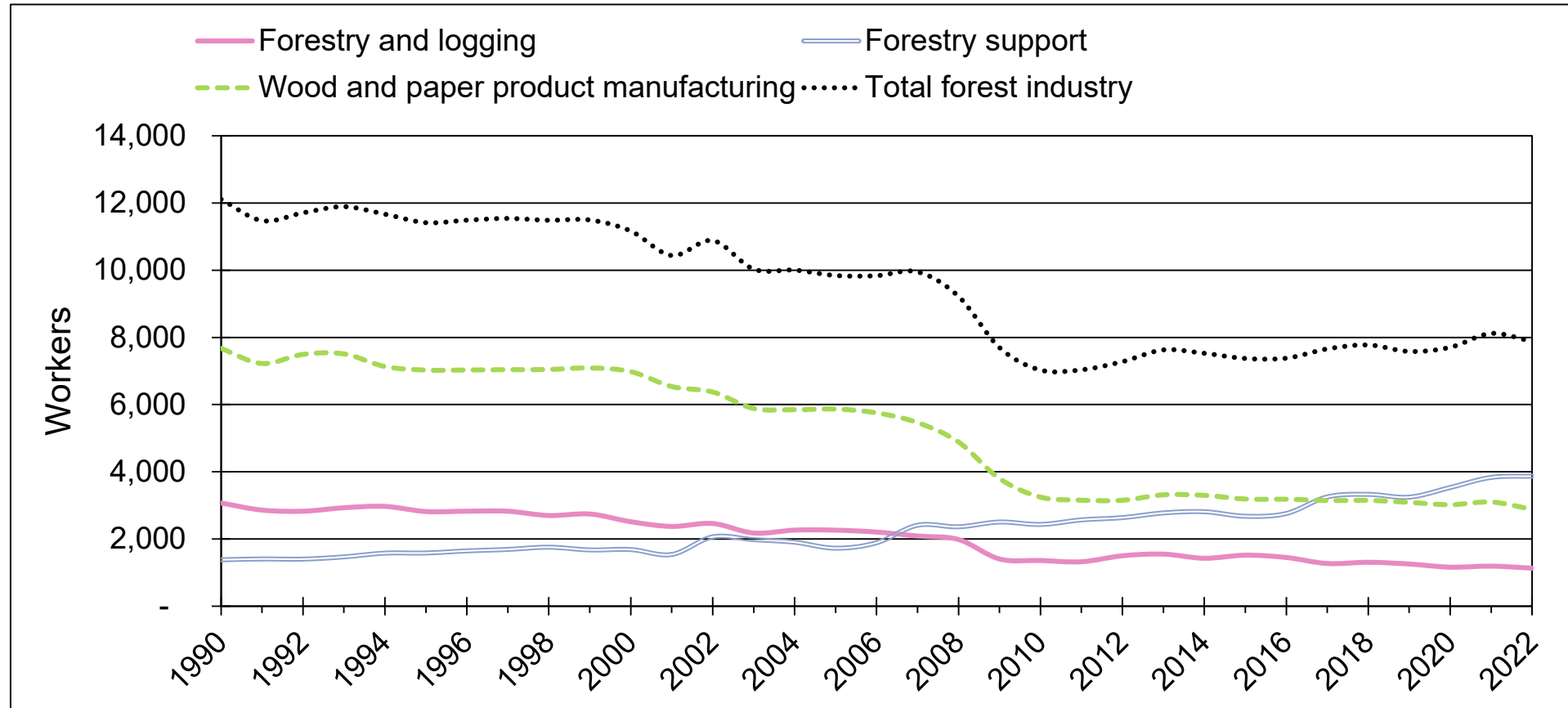
*2022 Estimated



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Montana Forest Industry Employment



Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, BBER

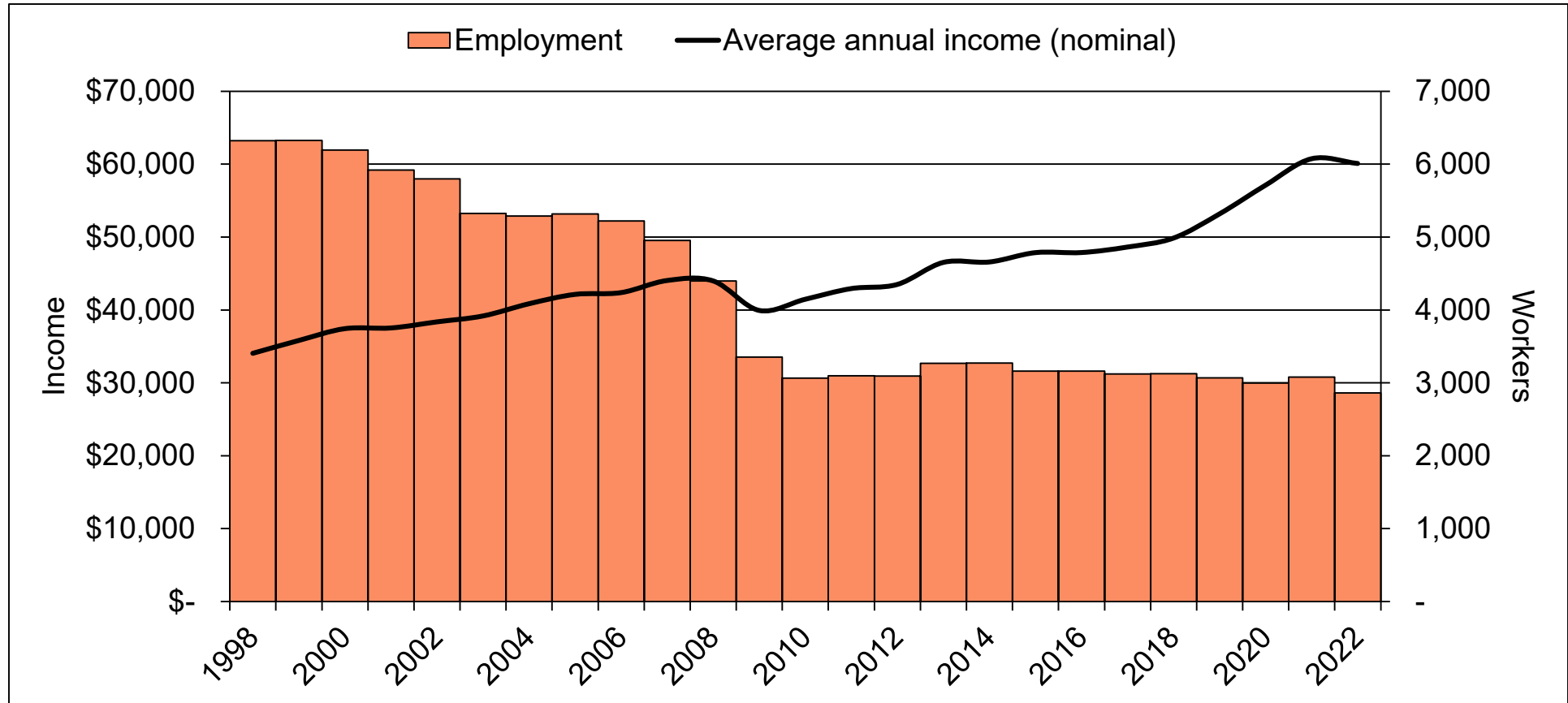
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Wood Products Manufacturing

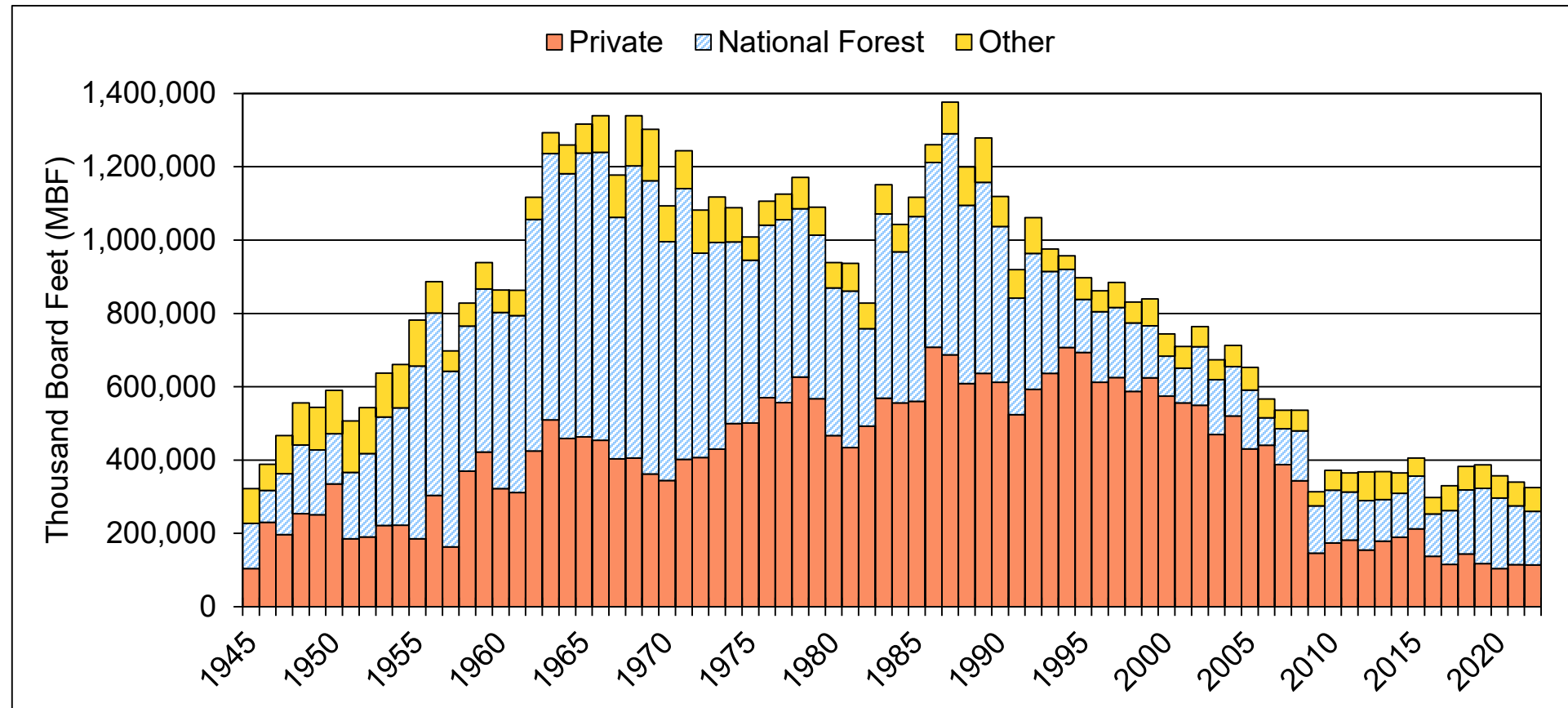


Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, BBER

*2022 Estimated



Montana Timber Harvest



Sources: BBER

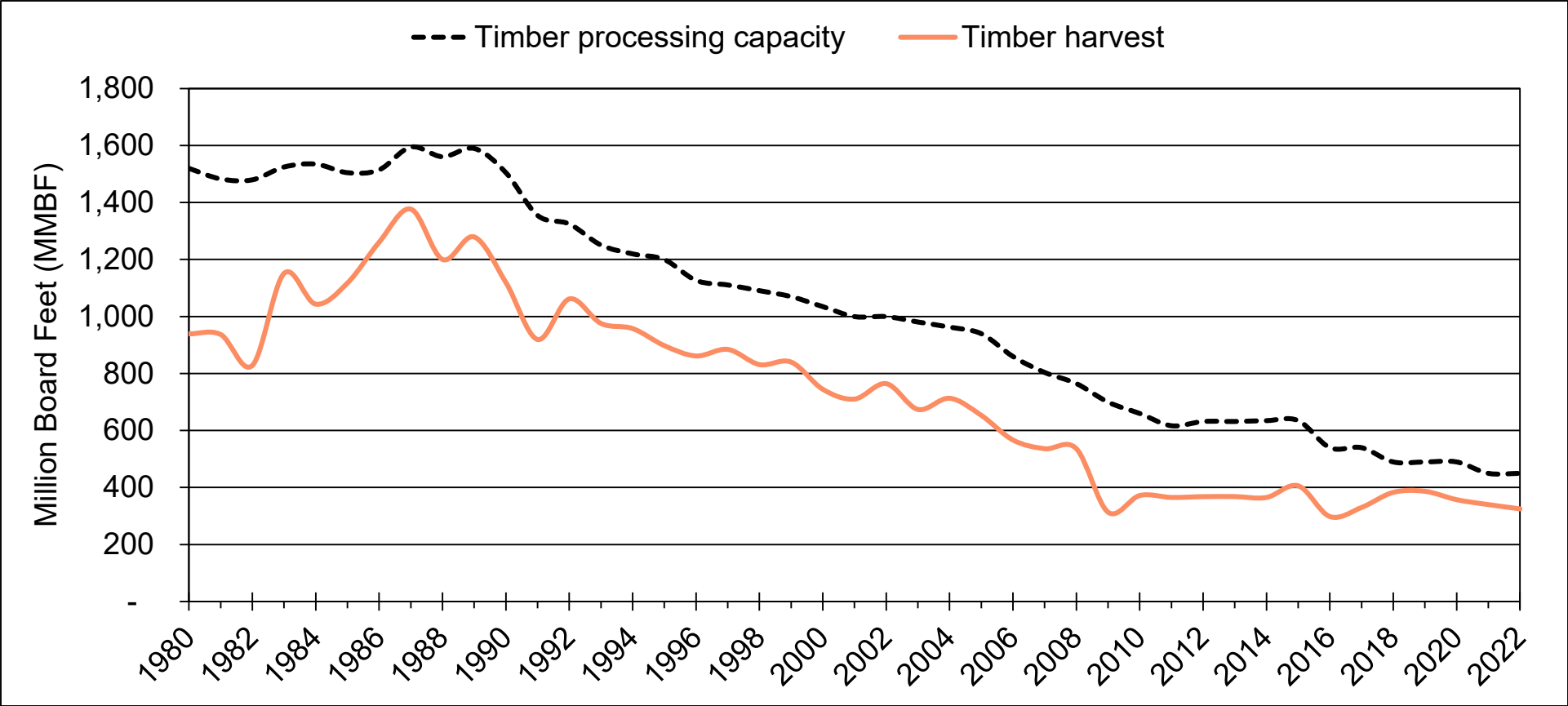
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Timber Harvest and Capacity

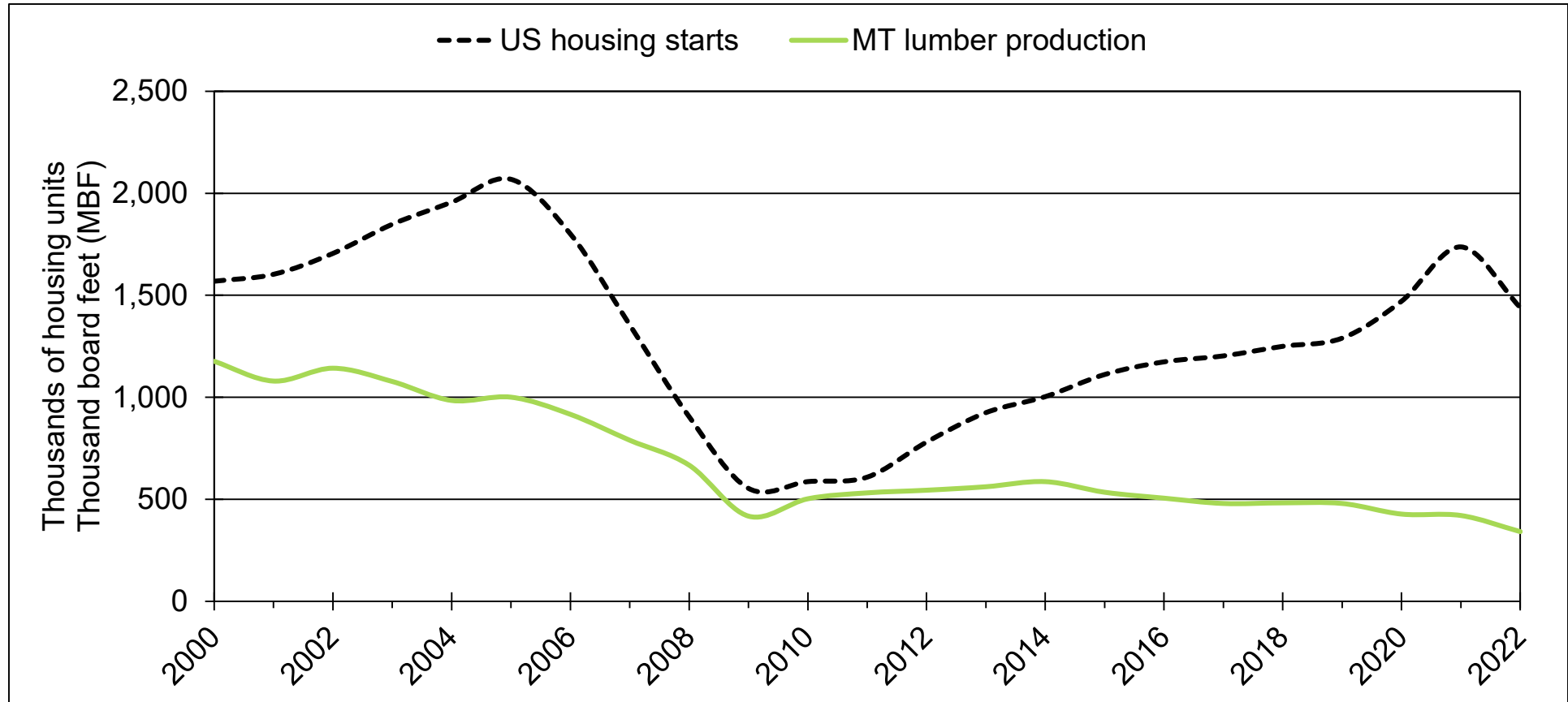


Sources: BBER

*2022 Estimated



US Building and MT Lumber Production



Sources: Census Bureau, Department of Housing and Urban Development, Western Wood Products Association, BBER

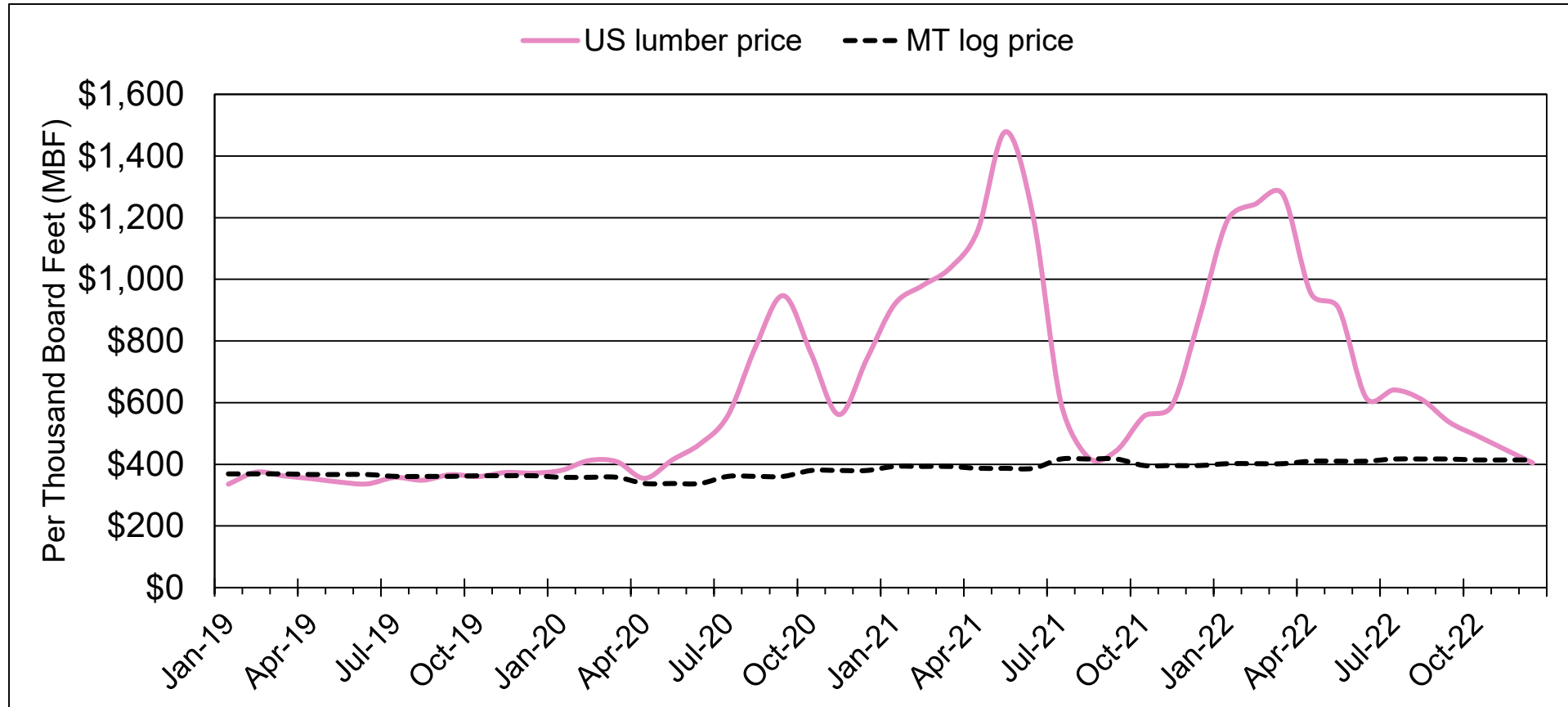
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US Lumber Prices and MT Log Prices



Sources: Random Lengths, BBER

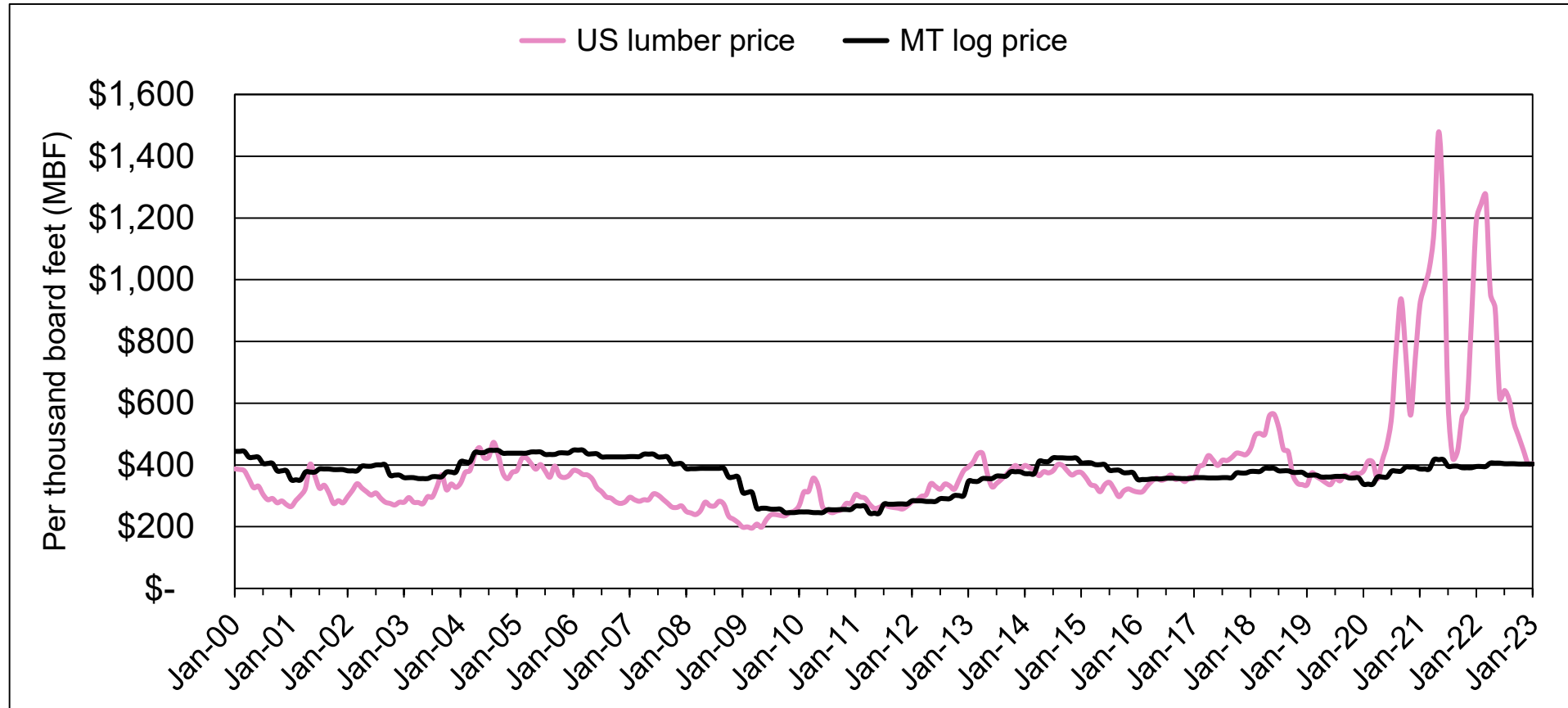
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Historical lumber and log prices



Sources: Random Lengths, BBER

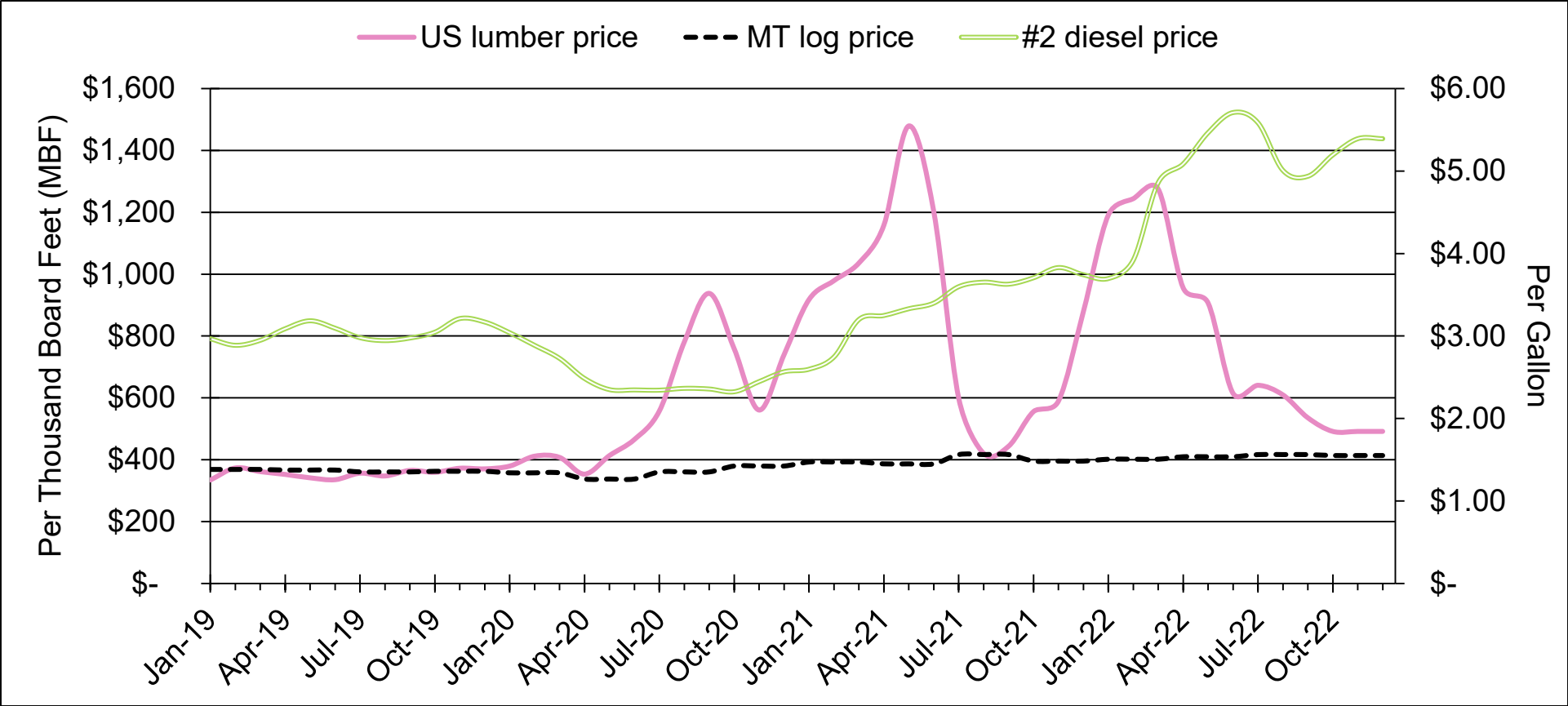
*2022 Estimated



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The Inflationary Squeeze



Sources: Random Lengths, Energy Information Administration, BBER

*2022 Estimated

Impacts of In-Migration

- **New Montana residents are not forest industry workers**
- **Contribute to local worker housing shortage**
 - **High prices**
 - **Low availability**
- **Contributed to increased national wood products demand**
 - **High lumber prices**
 - **Increased mill revenue**



Four Takeaways

- 1) **Lumber prices are back down (for now)**
- 2) **Log prices remain stable (in Montana)**
- 3) **New residents are not forest industry workers
(but they still have an impact on the industry)**
- 4) **Forest products industry is supply-limited**
 - **Labor is hard to keep and find**
 - **Timber harvest is declining**



Thank you!



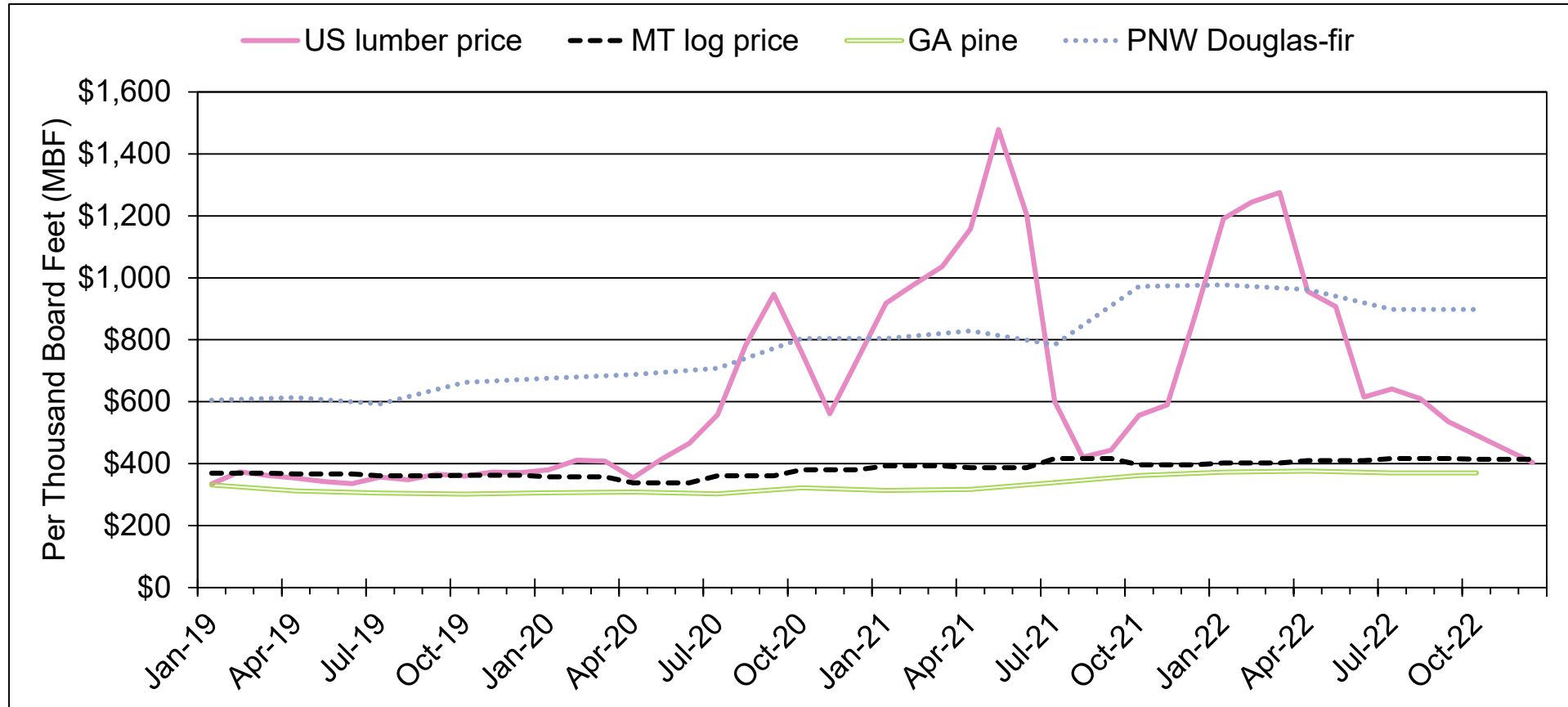
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US Lumber Prices and US Log Prices



Sources: Random Lengths, BBER

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