

Montana Manufacturing & Forest Products: 2010 Outlook

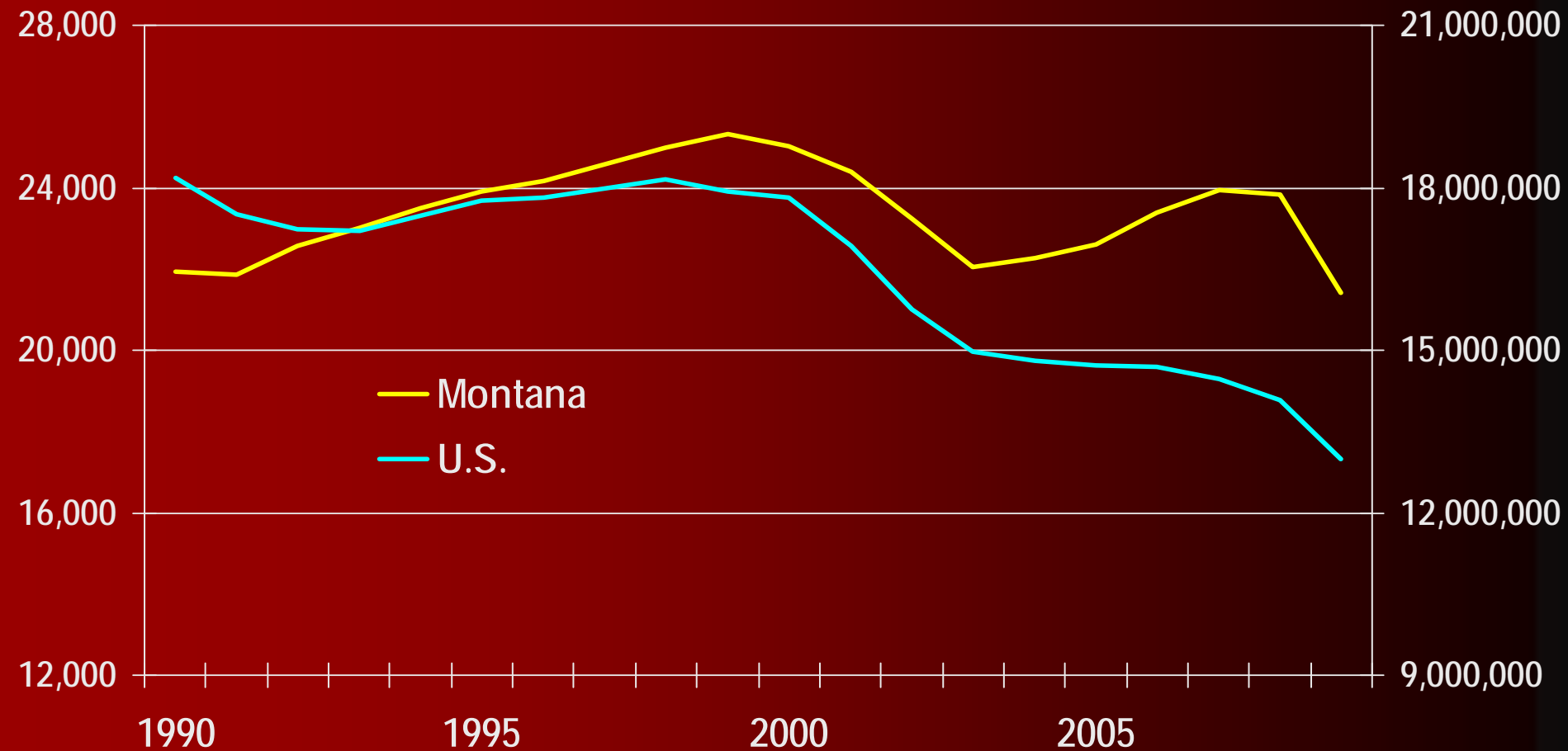
**BUREAU OF
BUSINESS**
**AND ECONOMIC
RESEARCH**

Todd A. Morgan, CF

Montana & U.S. Manufacturing Employment 1990-2009

MT workers

US workers



Montana Manufacturing Industry 2009

- Very rough year for many
- Employment declined at half of firms, no change at 40% of firms
- Most firms reported decreased sales, profits, and production
- Few firms had worker shortages
- Almost 40% of firms did make major capital expenditures

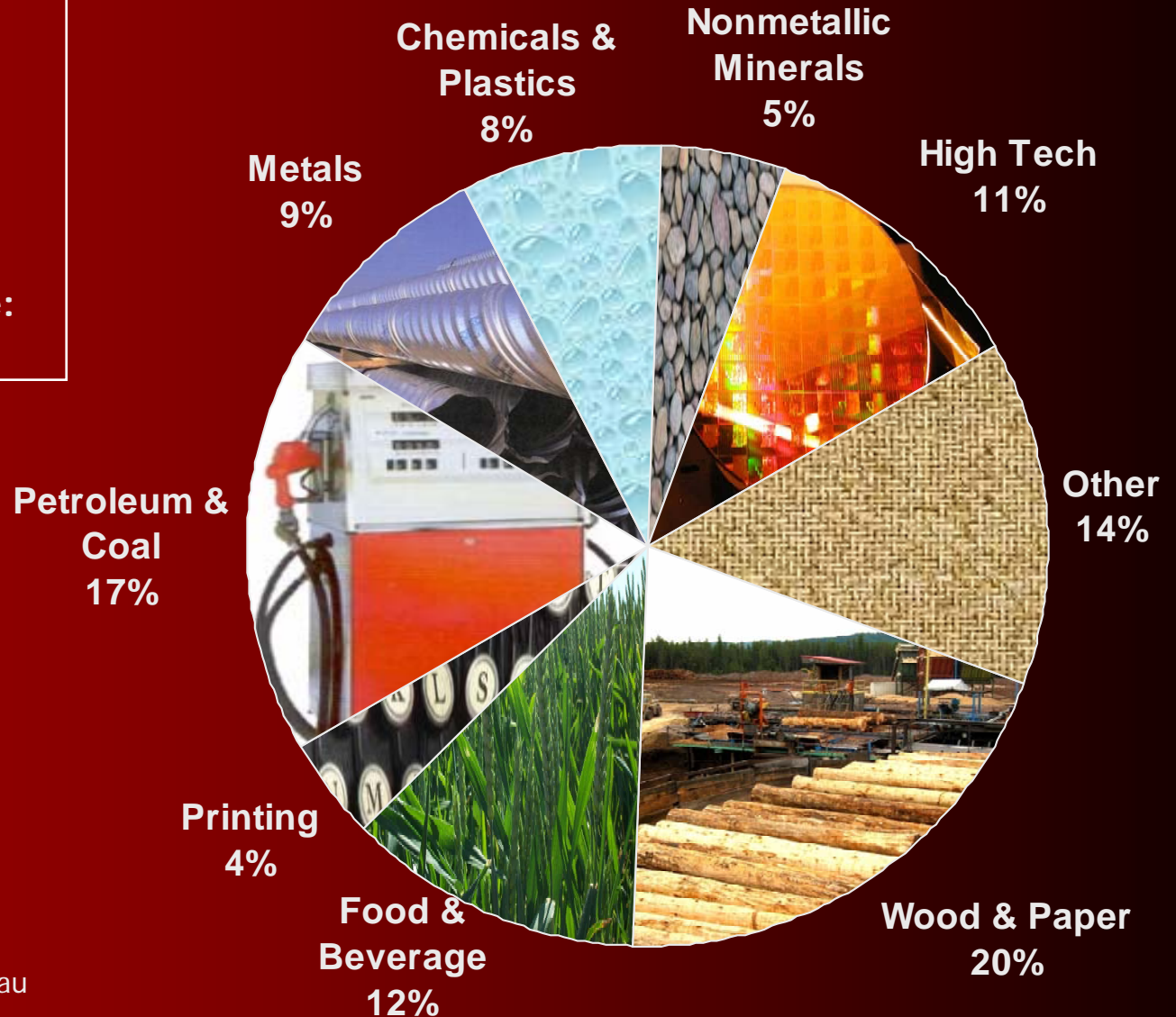
Montana Manufacturing

2009 Labor Income Distribution

Total firms:
3,000

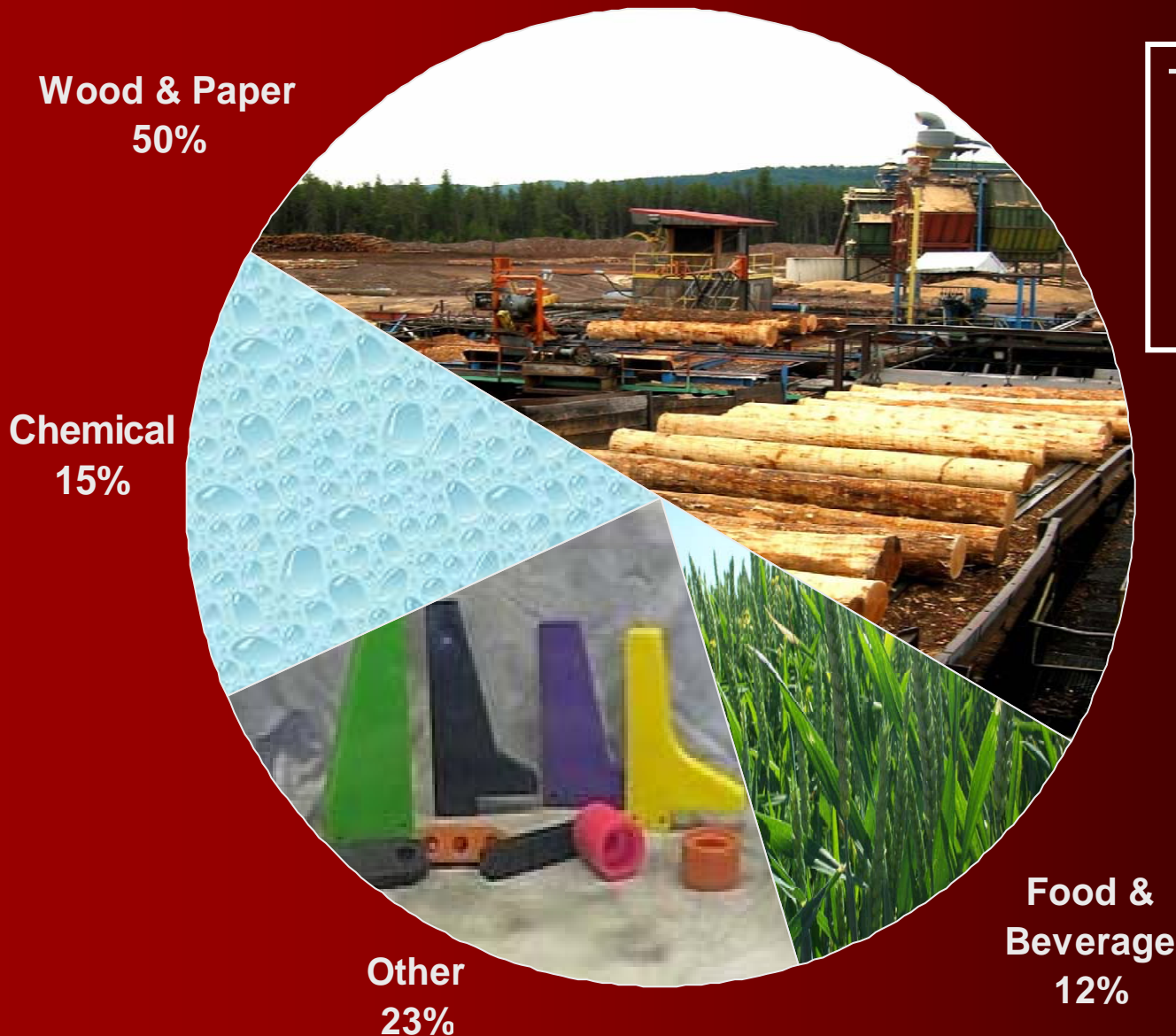
Total Employment:
23,800

Total Labor Income:
\$1.05 billion



Missoula County Manufacturing

Estimated 2009 Labor Income Distribution



Total Labor Income:
\$130 million

Total Employment:
2,400

Flathead County Manufacturing

Estimated 2009 Labor Income Distribution

Total Labor Income:
\$120 million

Total Employment:
2,550

Food &
Beverage
6%

Metals &
Related
7%

Lumber &
Wood
46%

Hi-Tech &
Other
41%



Yellowstone County Manufacturing

Estimated 2009 Labor Income Distribution

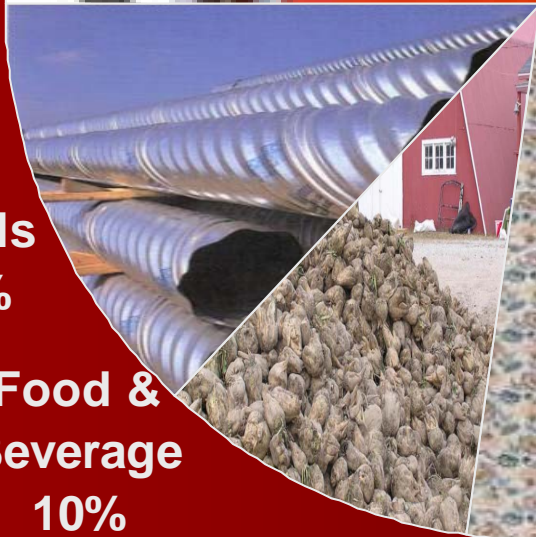
**Petroleum &
Chemical**
52%



Total Labor Income:
\$300 million

Total Employment:
3,900

Metals
13%



**Food &
Beverage**
10%



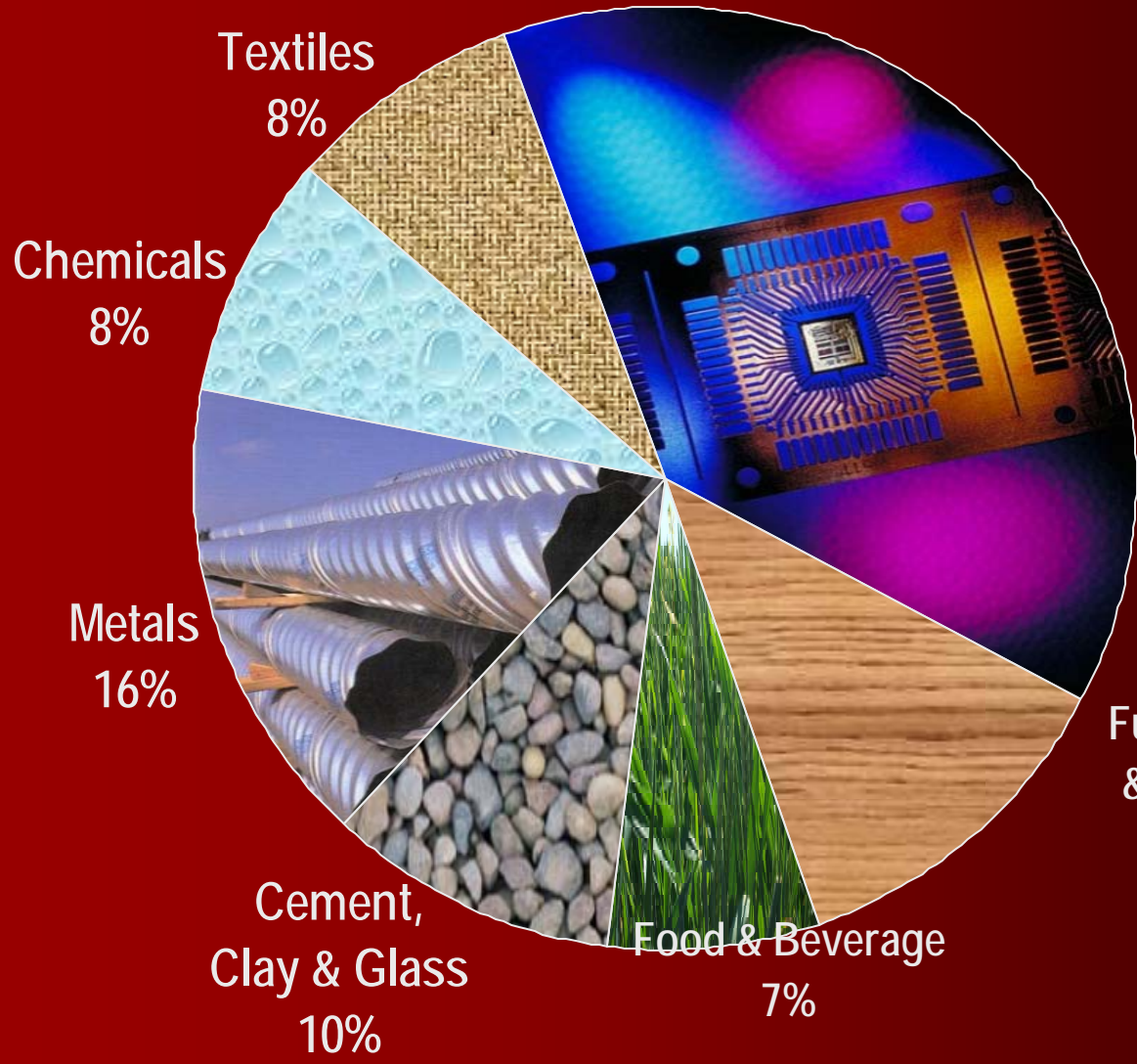
**Printing &
Related**
4%



Other
21%

Gallatin County Manufacturing

Estimated 2009 Labor Income Distribution



Total Labor Income:
\$170 million

Total Employment:
3,100

Other
38%

Furniture
& Wood
12%

Food & Beverage
7%

Cement,
Clay & Glass
10%

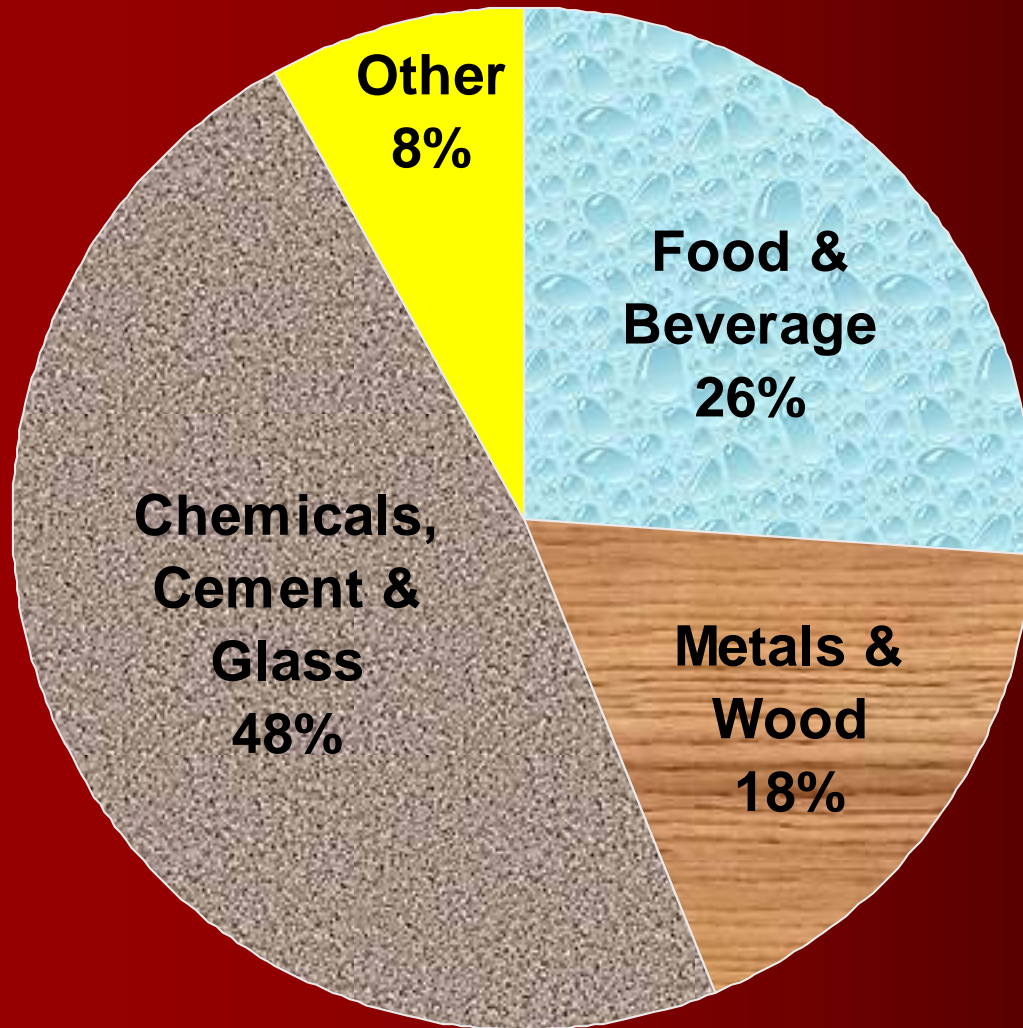
Metals
16%

Chemicals
8%

Textiles
8%

Butte-Silver Bow County Manufacturing

Estimated 2009 Labor Income Distribution

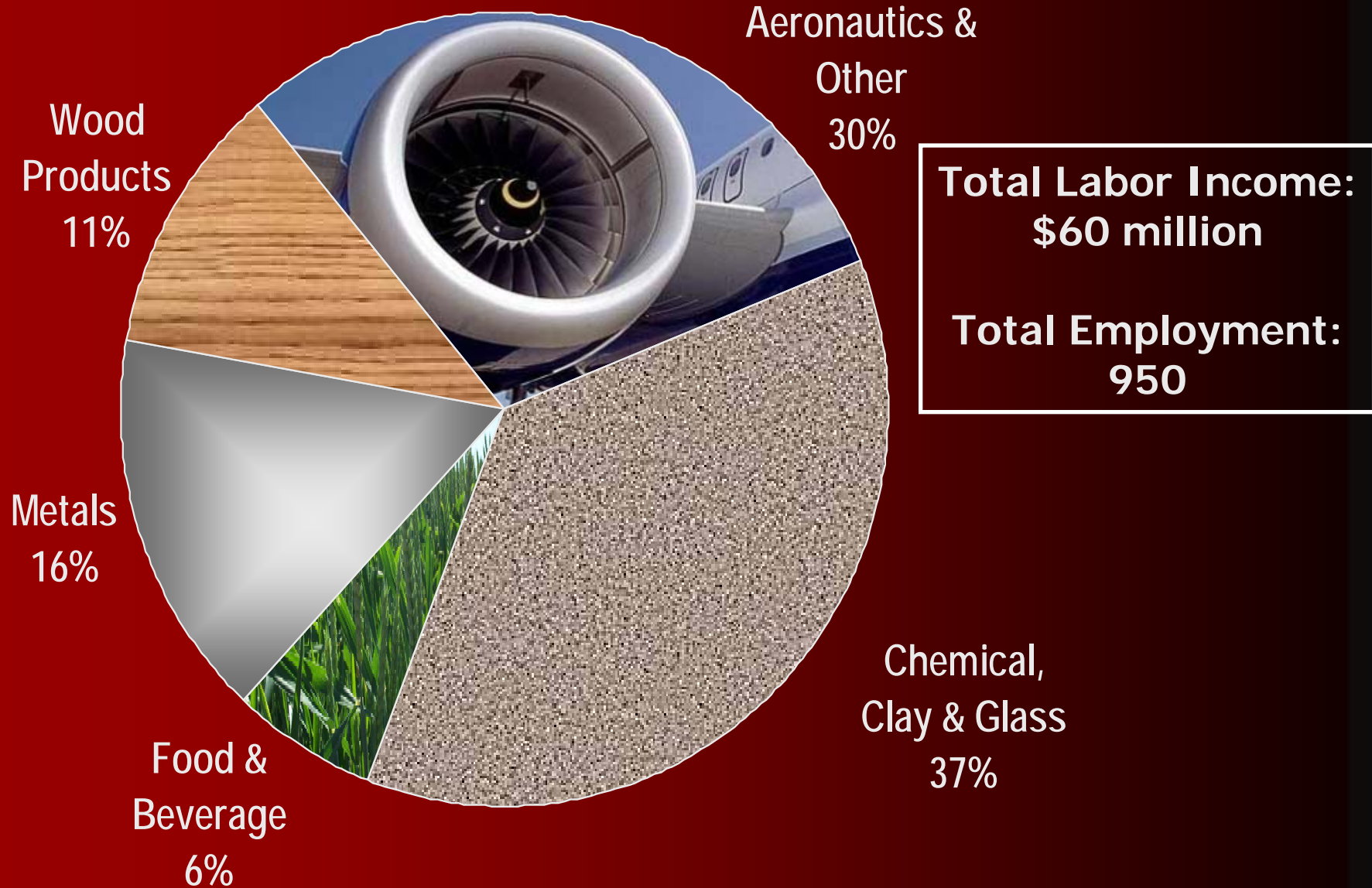


Total Labor Income:
\$35 to 40 million

Total Employment:
630 to 680

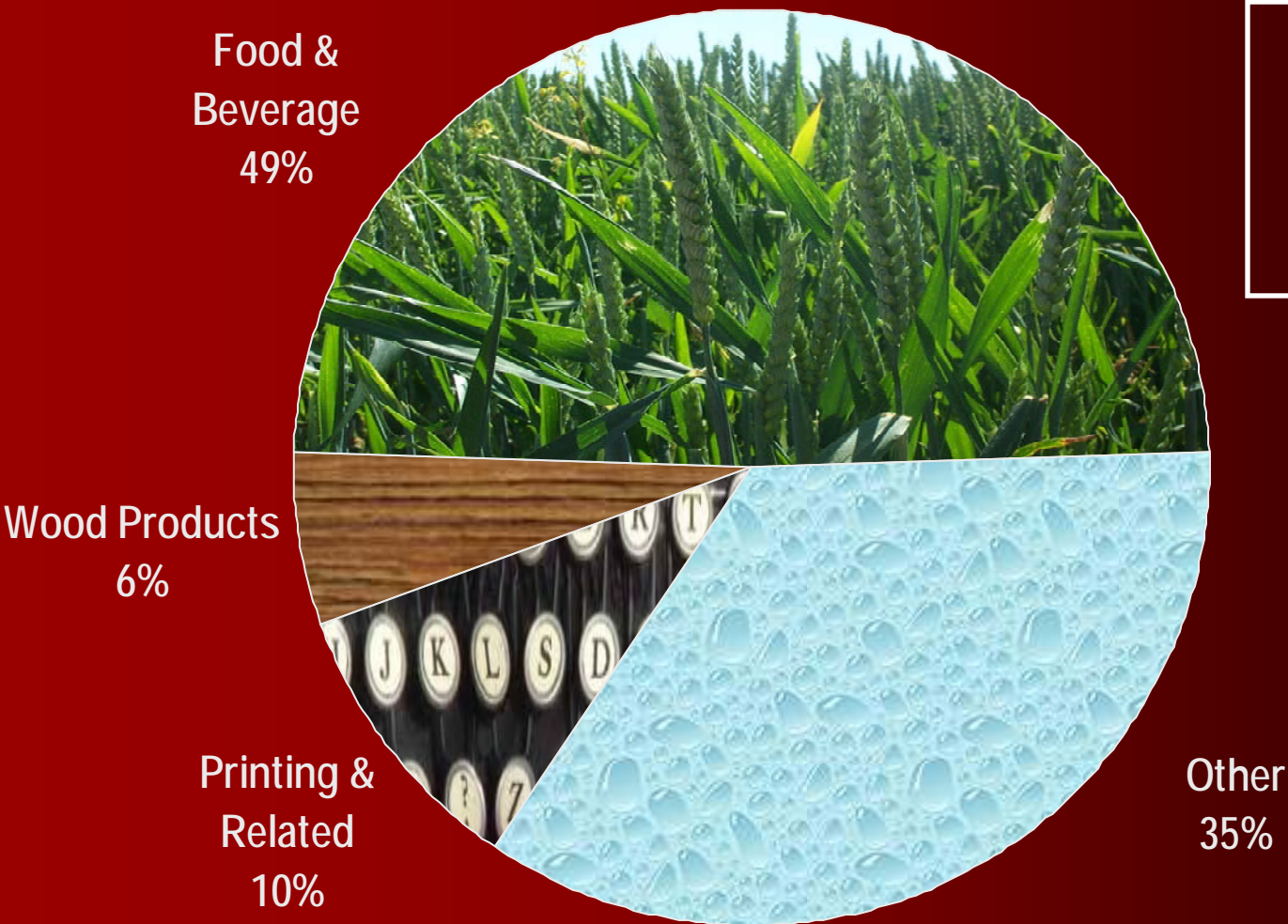
Lewis & Clark County Manufacturing

Estimated 2009 Labor Income Distribution



Cascade County Manufacturing

Estimated 2009 Labor Income Distribution

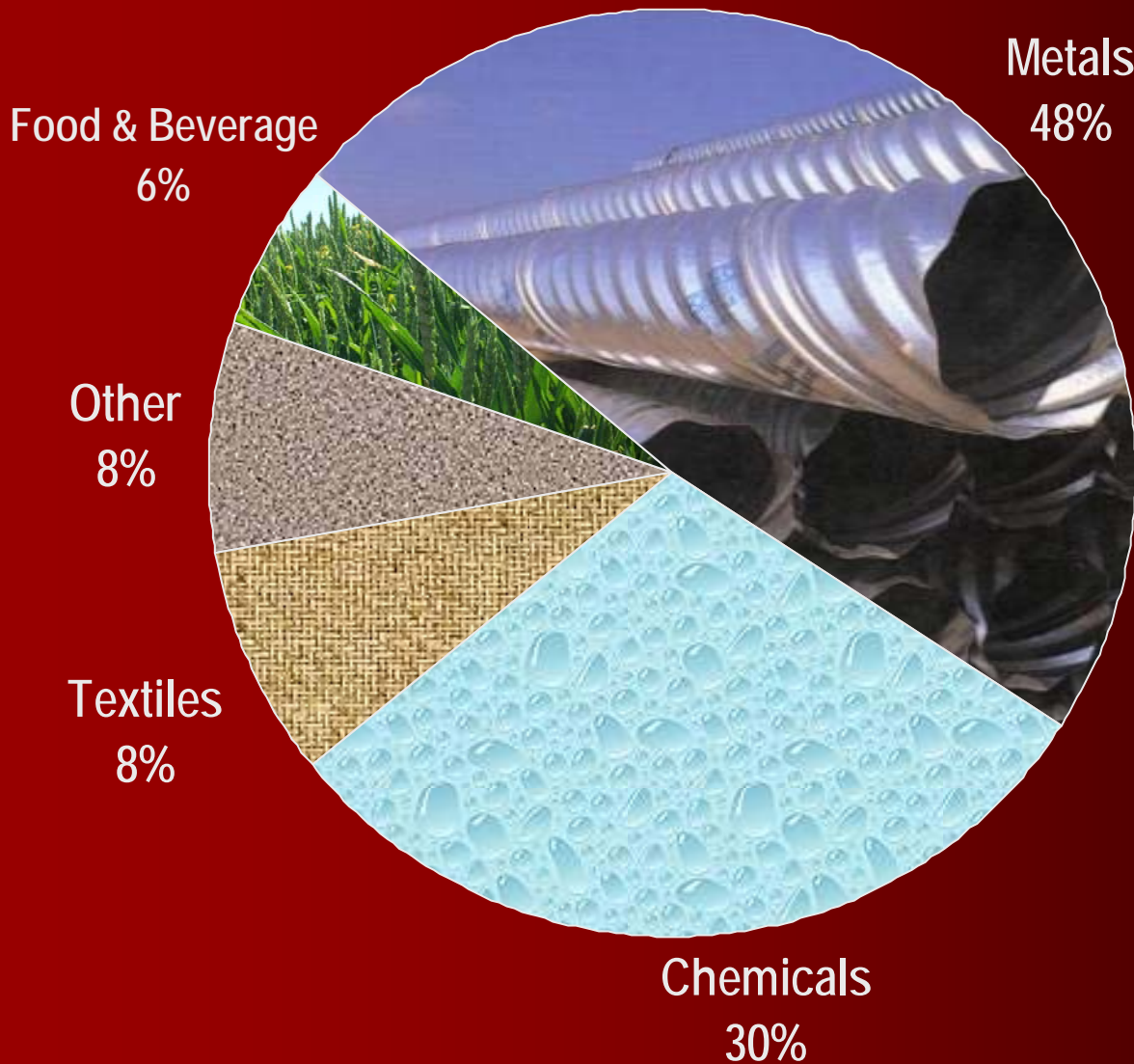


**Total Labor Income:
\$55 million**

**Total Employment:
1,000**

Fergus County Manufacturing

Estimated 2009 Labor Income Distribution



**Total Labor Income:
\$21 million**

**Total Employment:
300**

Hill County Manufacturing

**Total Labor Income:
\$ 3.8 million**

**Total Employment:
< 100**

2009-2010 Montana Manufacturers Survey

- annual survey
- conducted in Nov/Dec
- open-ended & multi-choice questions
- current & coming year
- 216 firms contacted
- response rate 77%

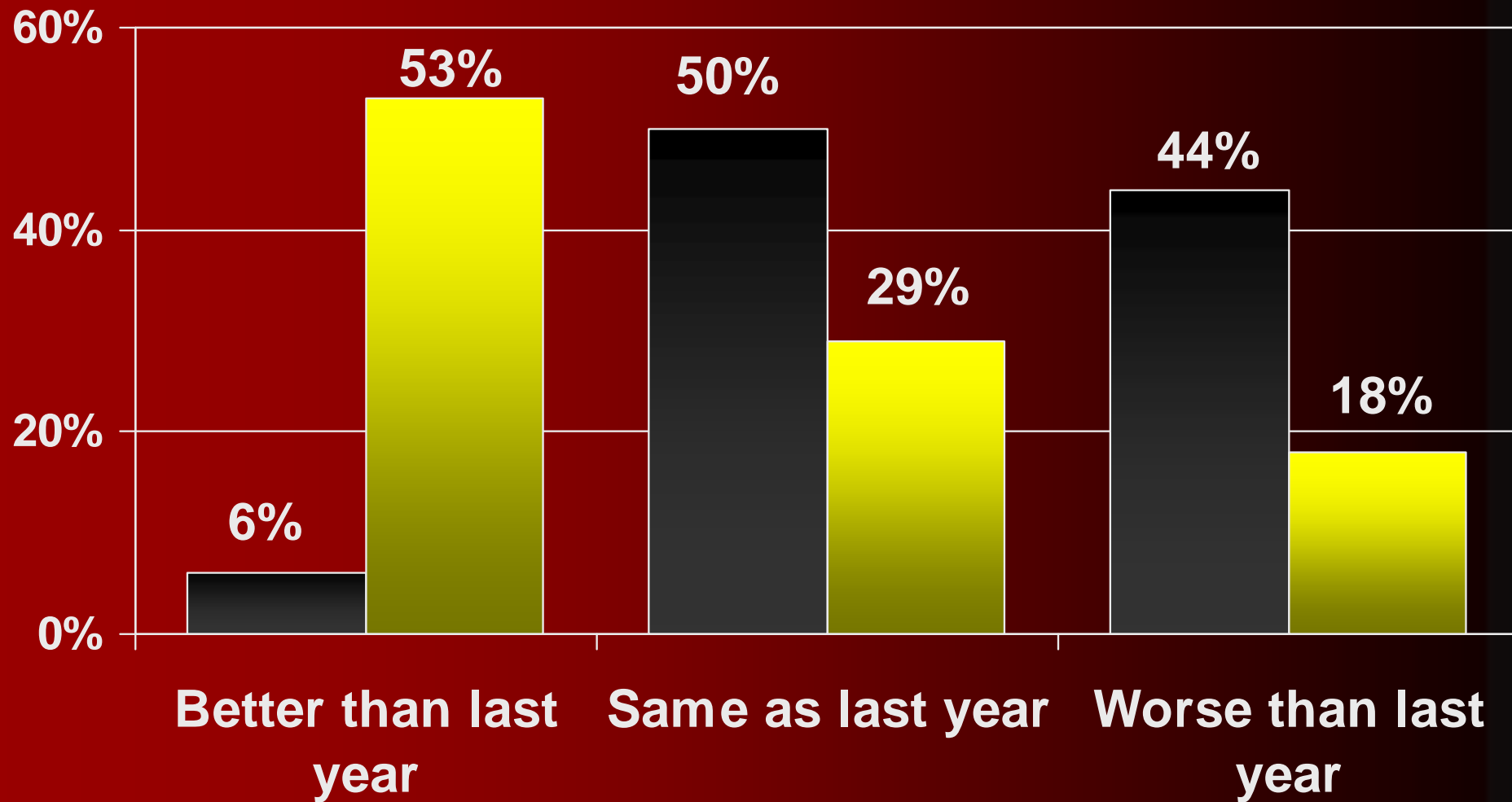


Montana Forest Products Outlook for the Coming Year

Percent of
Firms

■ Outlook for 2009

■ Outlook for 2010

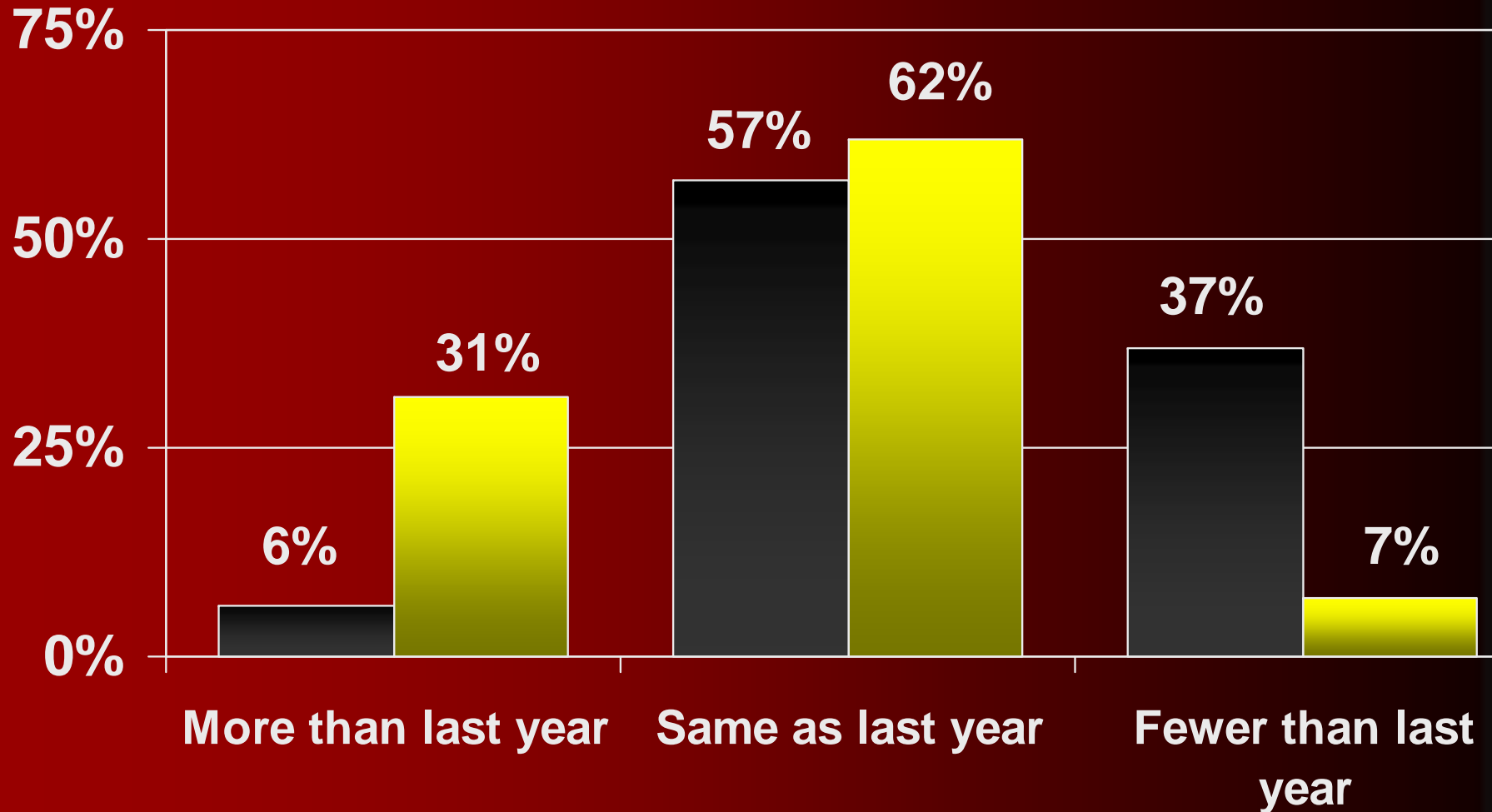


Forest Products Employment Outlook for the Coming Year

Percent of Firms

■ Outlook for 2009

■ Outlook for 2010



Montana Forest Products Industry 2009 Recap

- 4th straight year of declines
- Several large mills permanently shut down
- Employment down 20% (about 1,700 workers)
- Timber harvest volume down 40%
- Product sales value down 23%
- Lumber production down 38%

Montana Forest Products Forecast

A photograph of a lumber mill. In the foreground, large logs are being processed on a conveyor belt. In the background, there are various pieces of industrial machinery, including a large sawmill structure, and a forest of trees under a clear sky.

- **2010 markets expected to be better than 2009**
- **Timber harvest & lumber production volumes expected to remain low with loss of mills**
- **Employment expected to be lower**
- **Forests will become more expensive to manage**
- **Not out of the woods yet!**

Montana Manufacturing Forecast for 2010

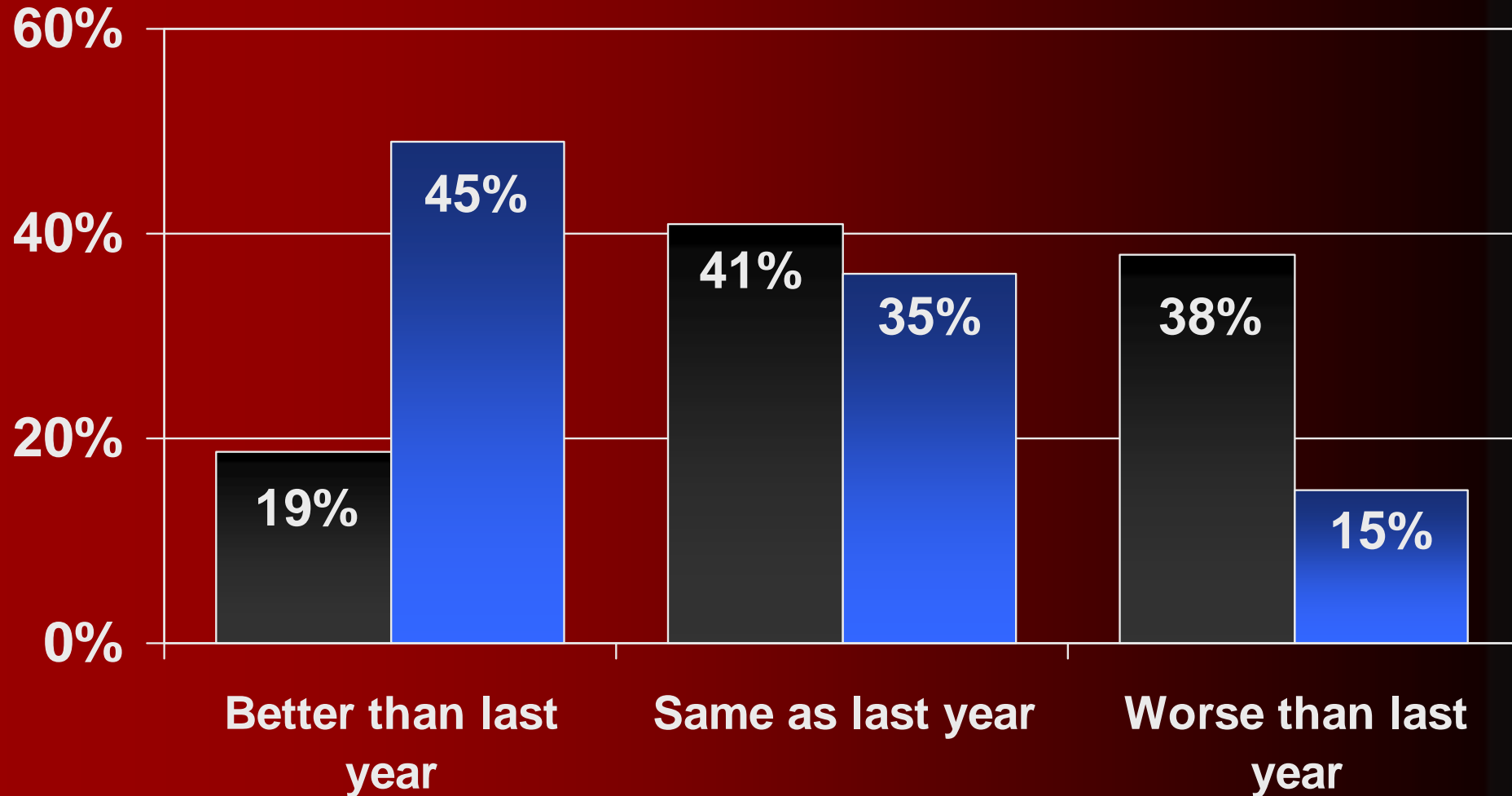
- **Generally better conditions are expected**
- **Recovery slowed by major shut-downs**
- **Manufacturers are more optimistic**

Montana Manufacturing Outlook for the Coming Year

Percent of Firms

■ Outlook for 2009

■ Outlook for 2010

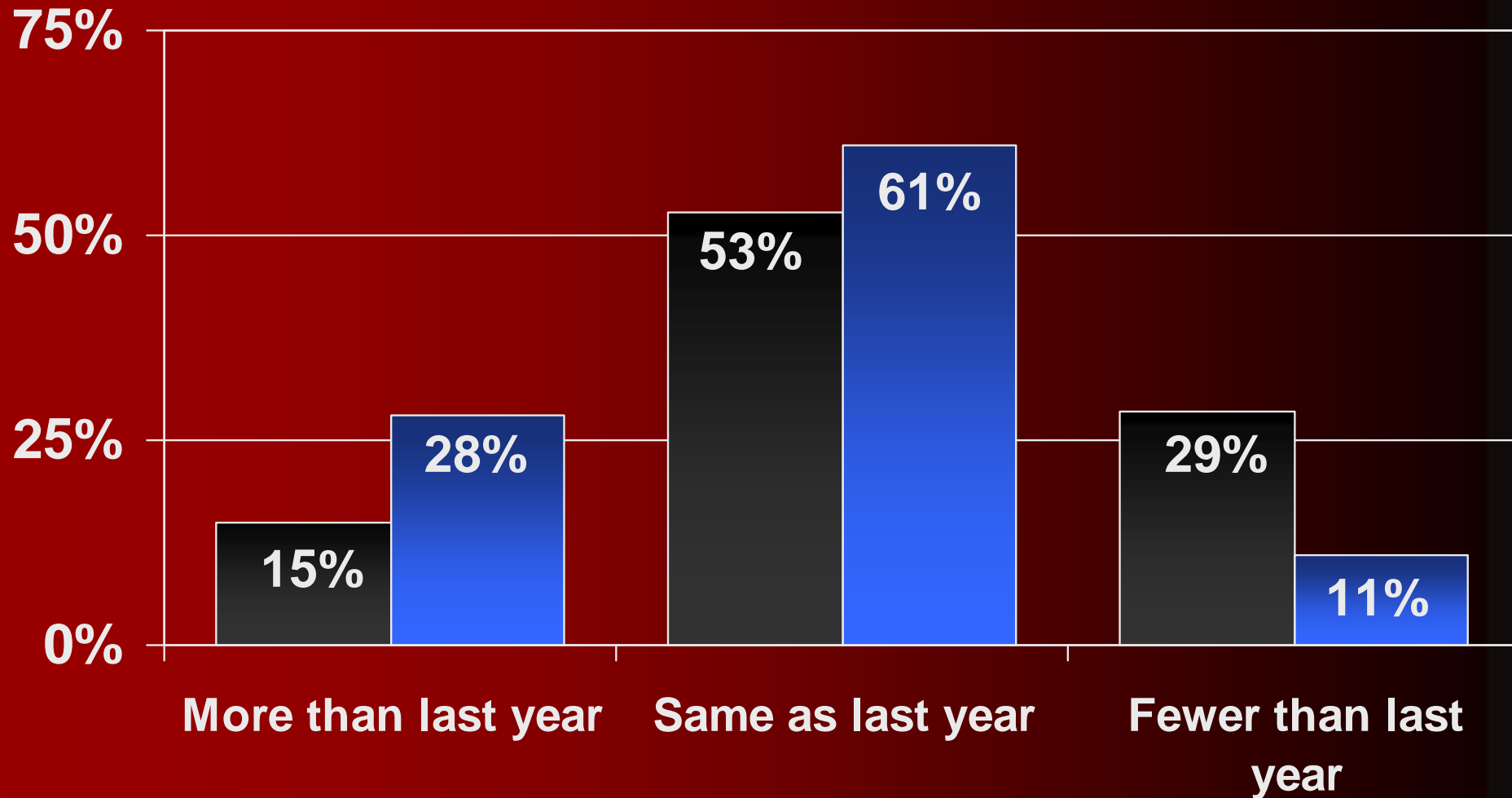


Manufacturing Employment Outlook for the Coming Year

Percent of Firms

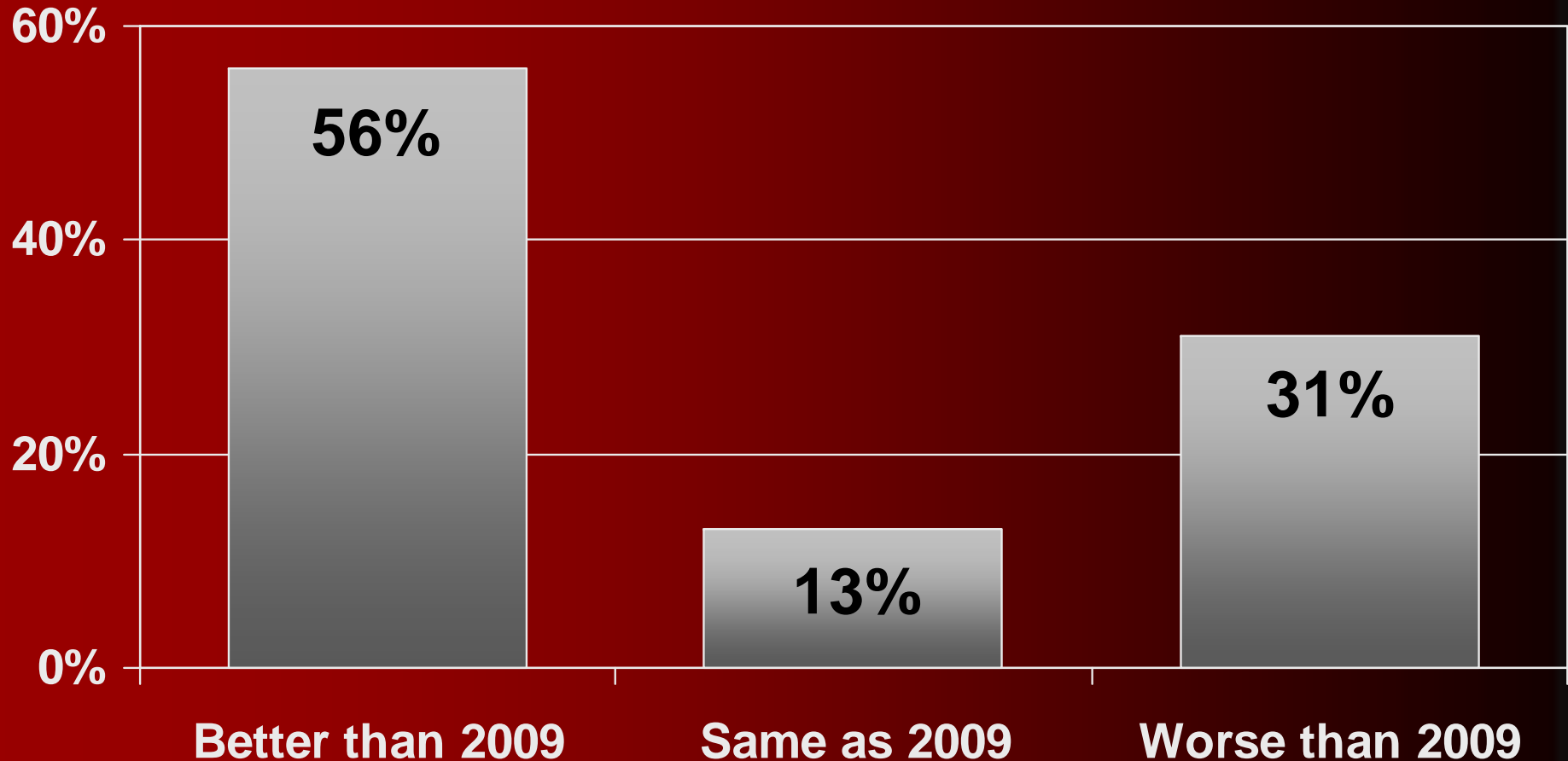
■ Outlook for 2009

■ Outlook for 2010



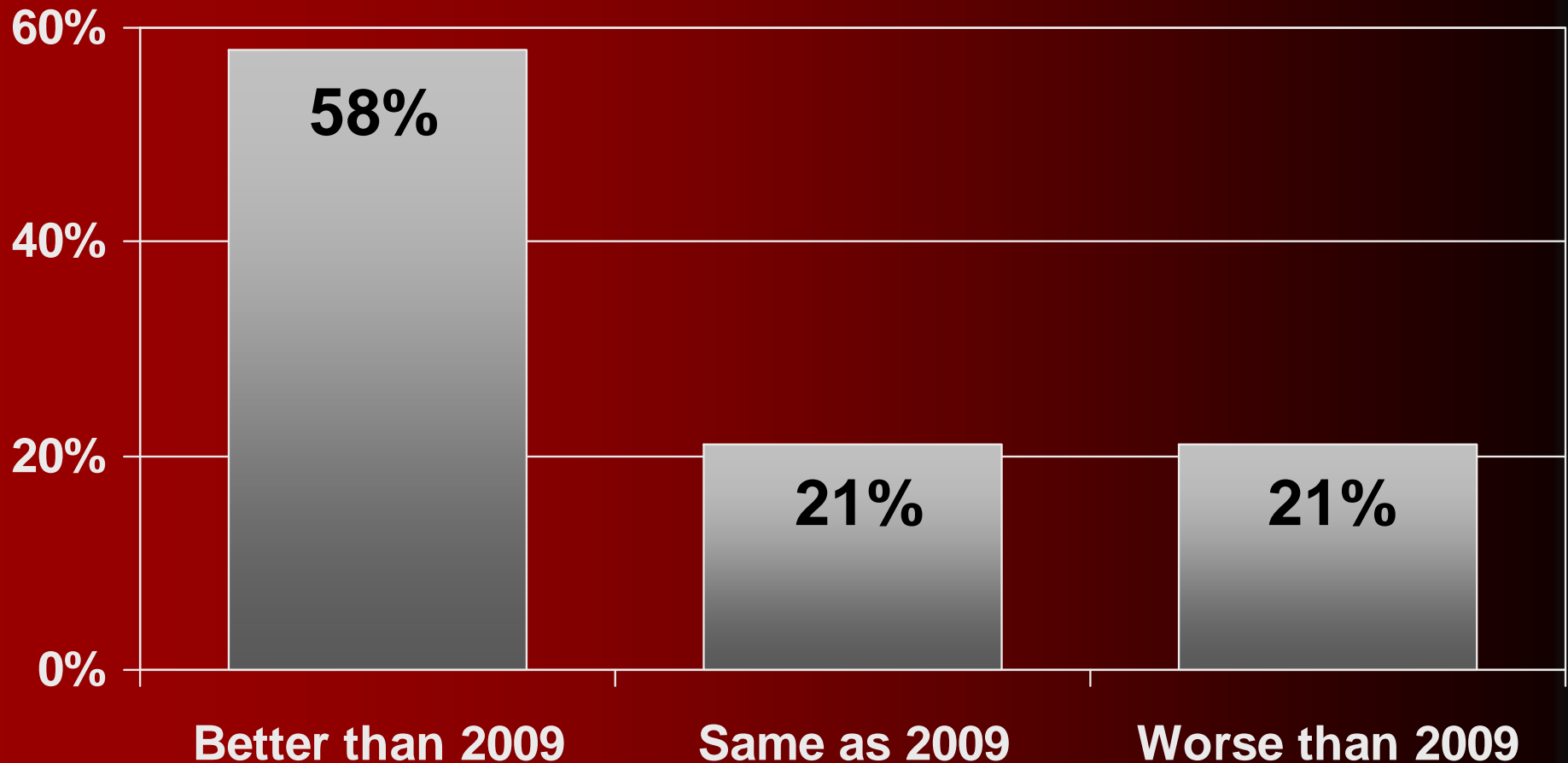
Missoula County Manufacturing Outlook for 2010

Percent of Firms



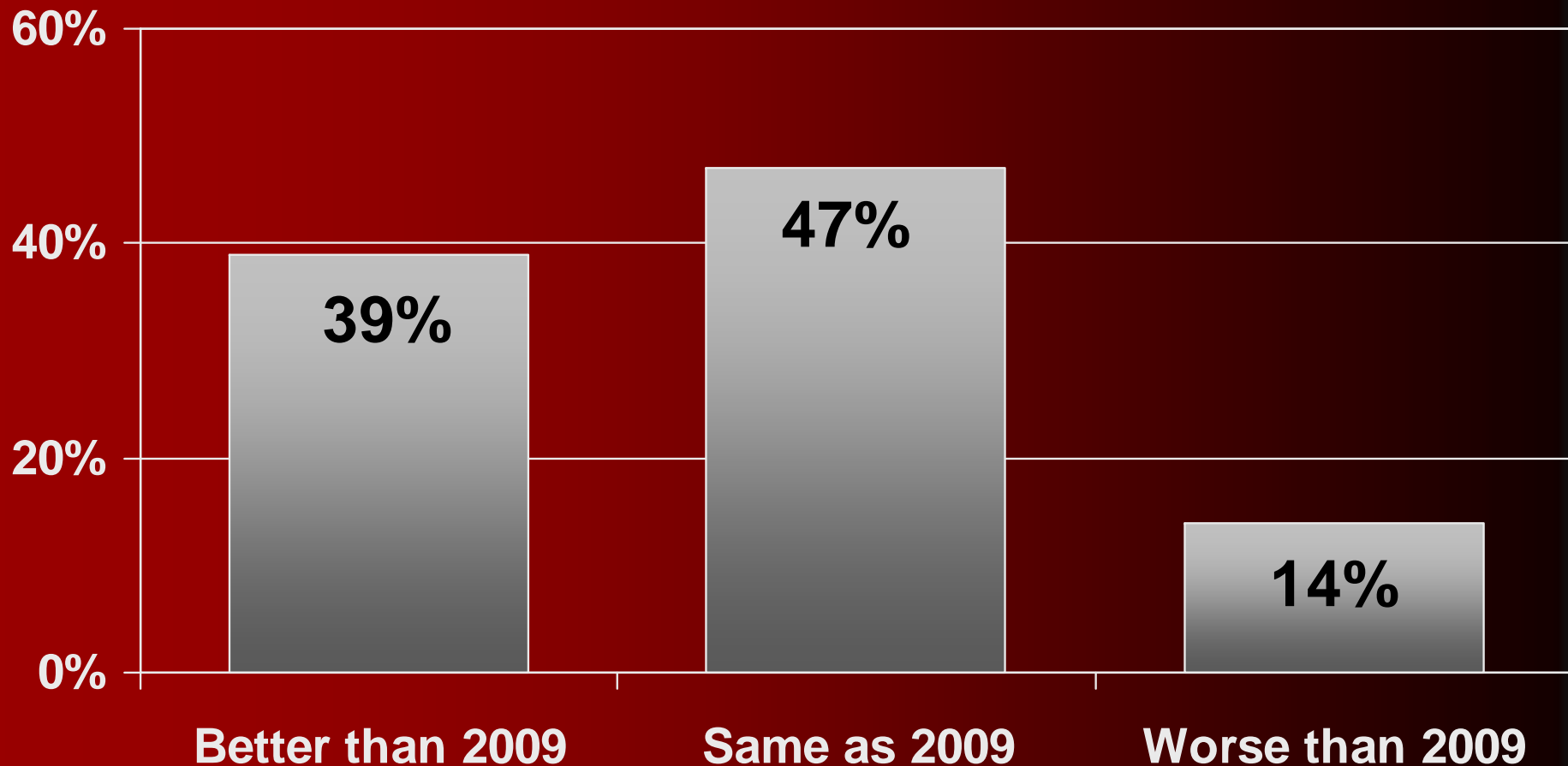
Flathead County Manufacturing Outlook for 2010

Percent of Firms



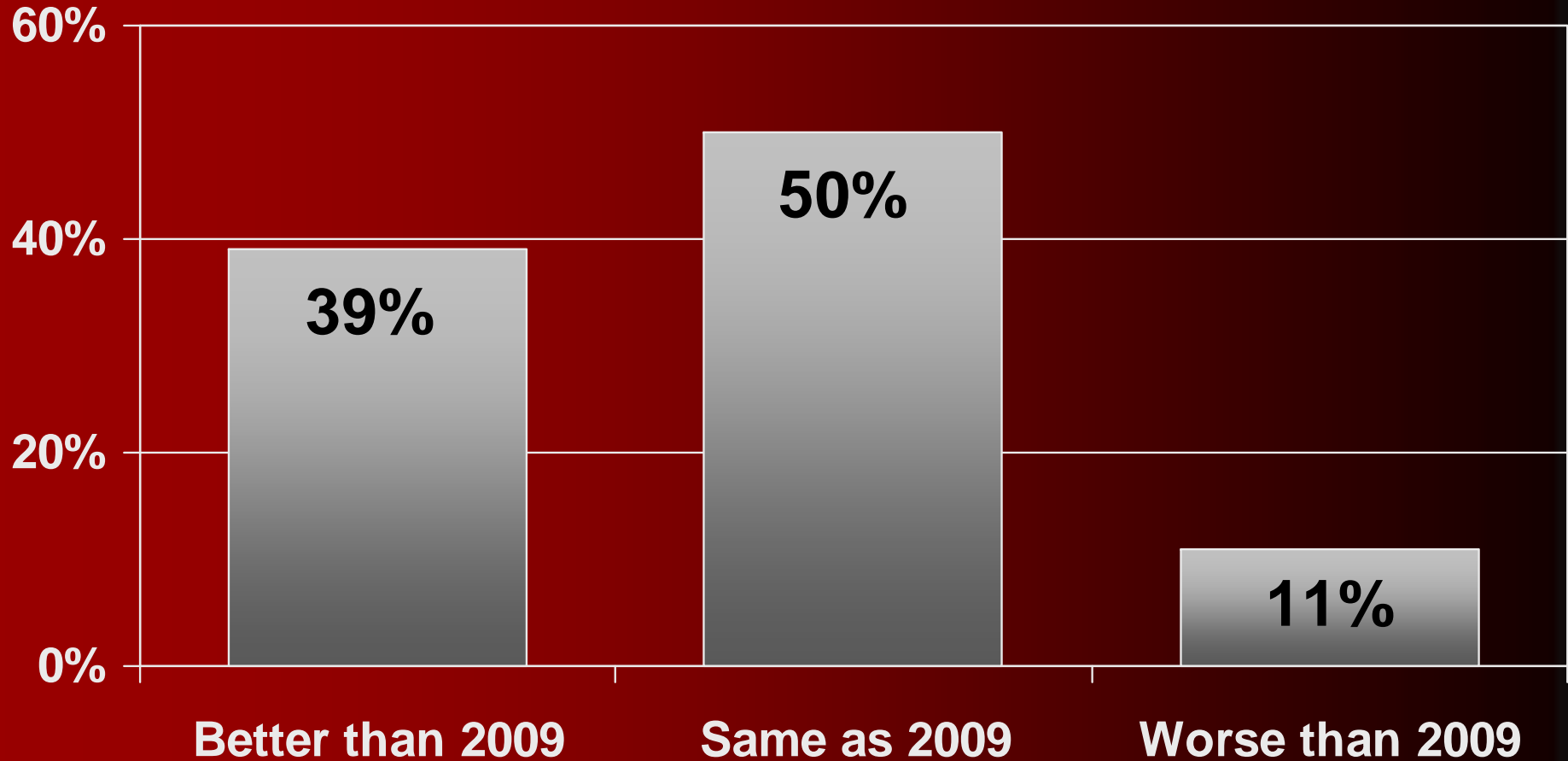
Yellowstone County Manufacturing Outlook for 2010

Percent of
Firms



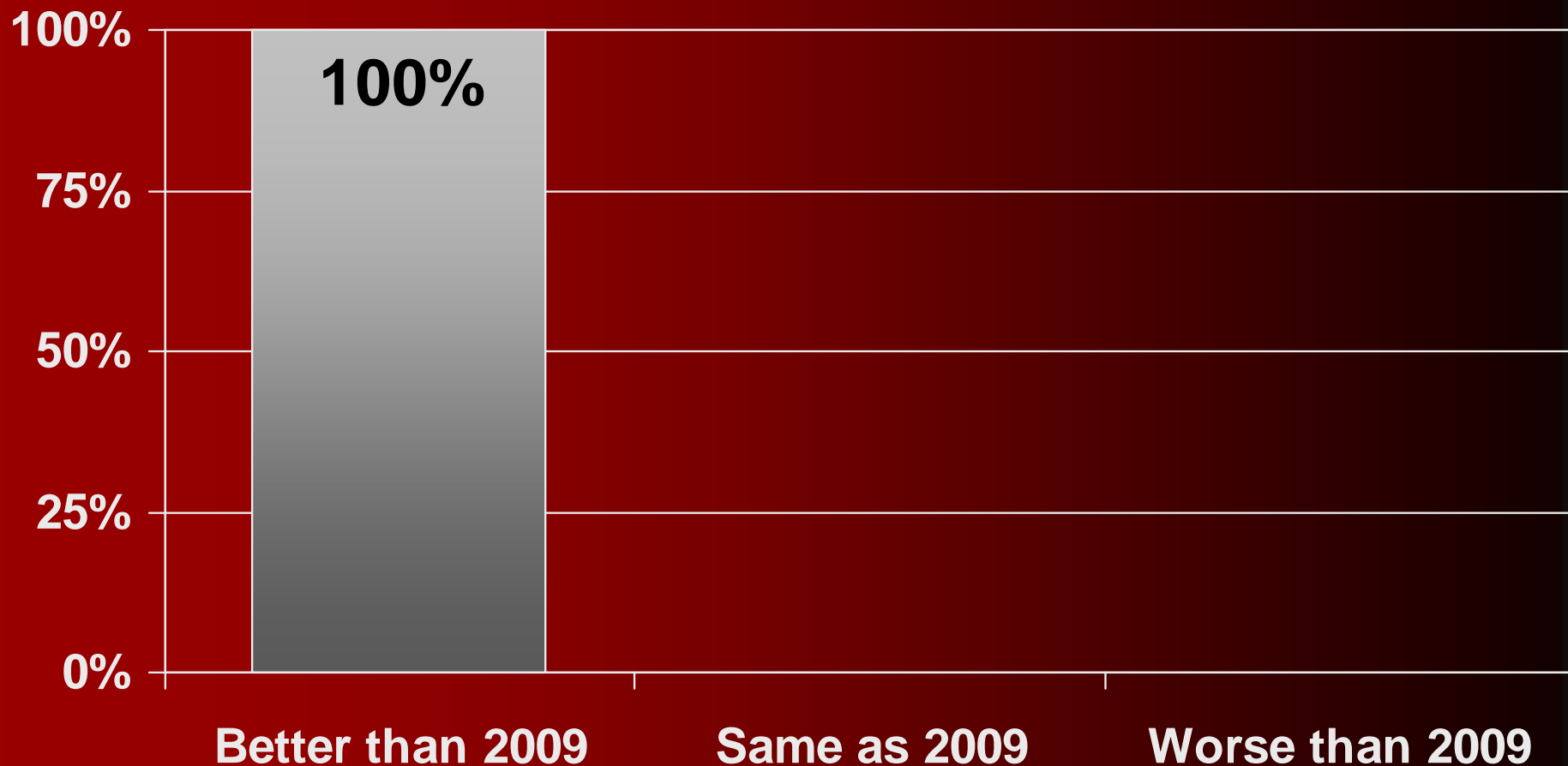
Gallatin County Manufacturing Outlook for 2010

Percent of Firms



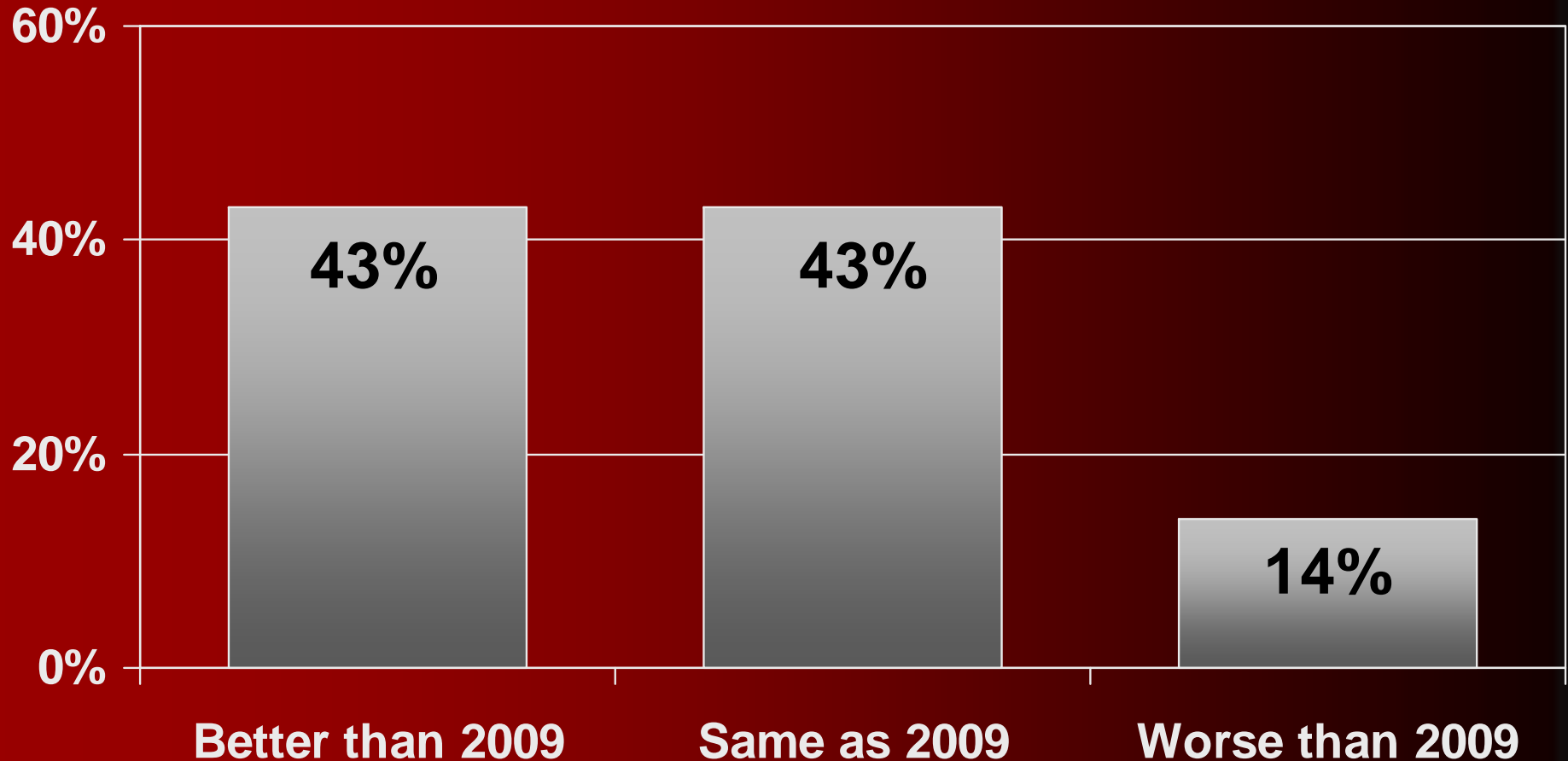
Butte-Silver Bow County Manufacturing Outlook for 2010

Percent of
Firms



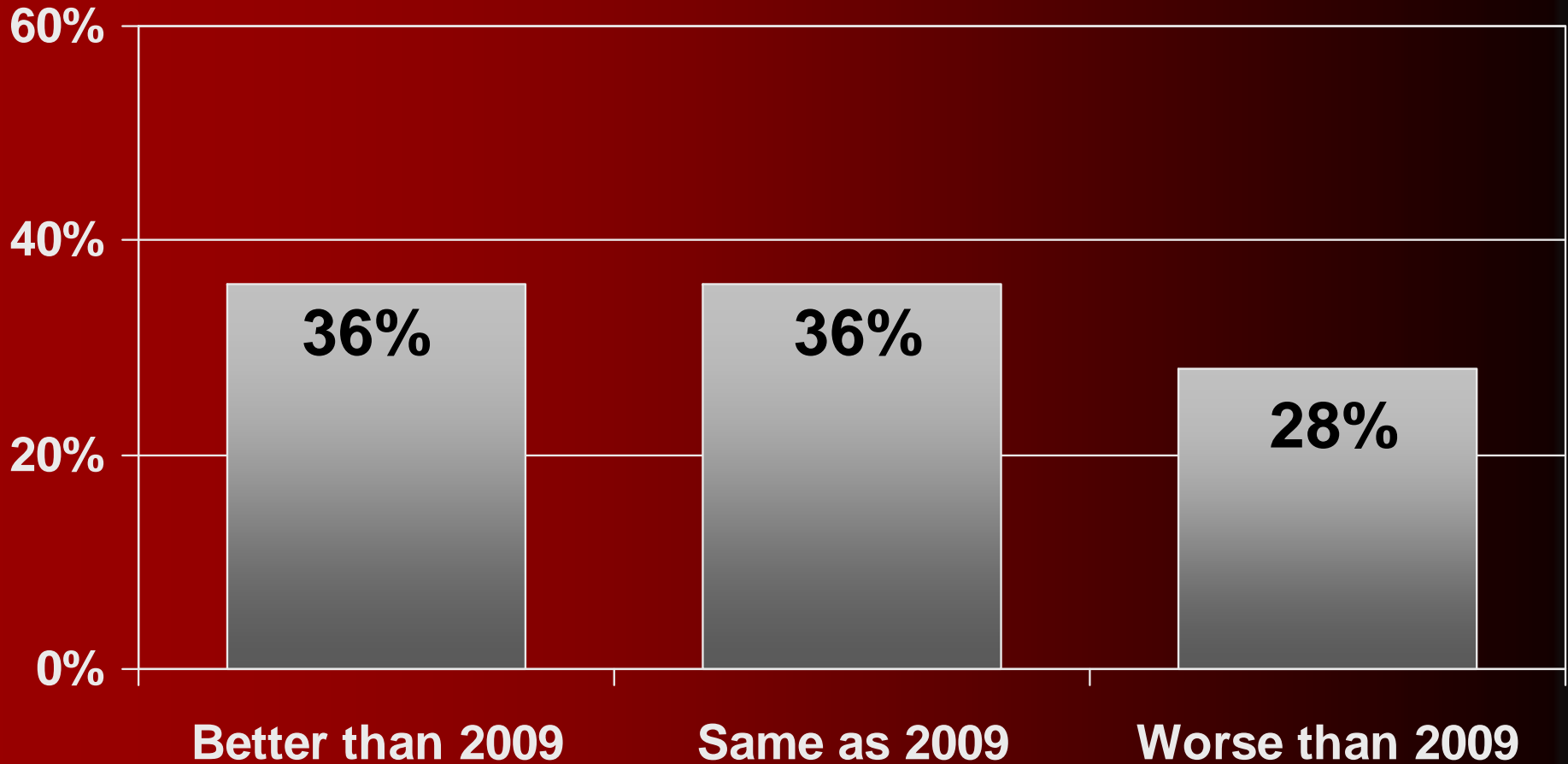
Lewis & Clark County Manufacturing Outlook for 2010

Percent of
Firms



Cascade County Manufacturing Outlook for 2010

Percent of Firms



Fergus County Manufacturing Outlook for 2010

Percent of Firms

