



Timber Market and Forest Products Industry Contribution in Michigan

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Learning Objectives

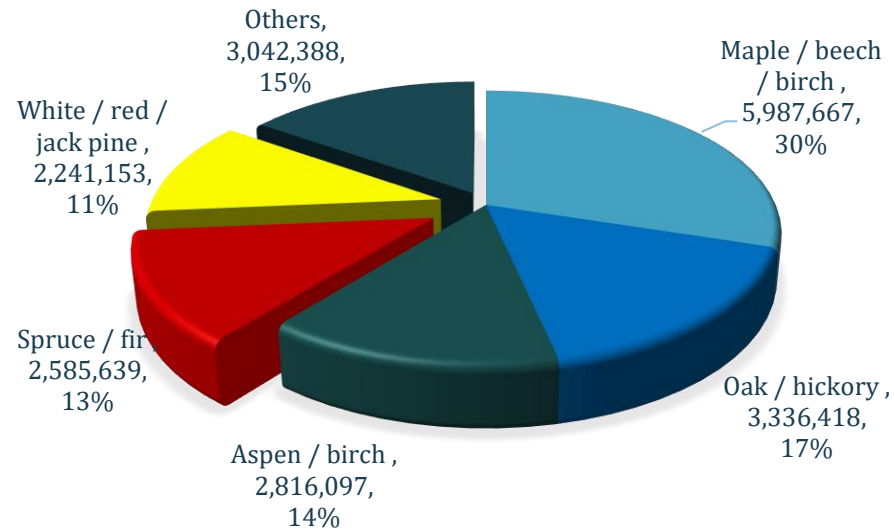
- Is Michigan's forest growing faster than it is being harvested?
- How have timber prices and harvest volumes changed over time?
- Which forest product sectors generate the most output and jobs?
- How large is the overall economic footprint of Michigan's forest products industry?

Michigan Forest Resources

- Michigan's forests are widely recognized for their high-quality sugar maple, red maple, red oak, and white pine
- Michigan forest supply raw material for furniture, flooring, veneer, cabinetry, and millwork industries, as well as pulp, paper, and engineered wood products
- The aspen and birch types are important to the pulp and oriented strand board sectors
- Northern conifer forests support softwood lumber and panel manufacturing
- Cornerstone of Michigan's rural economy, providing employment, renewable materials, and sustained ecosystem services

Michigan Forest Resources

- There are an estimated 14.0 billion live trees greater than or equal to 1-inch d.b.h. in Michigan forest land.
- 43,654 million cubic feet of Net merchantable bole volume of live trees (4.35% increase since 2018)
- Hardwood species dominate Michigan's 20 million acres of forest land.



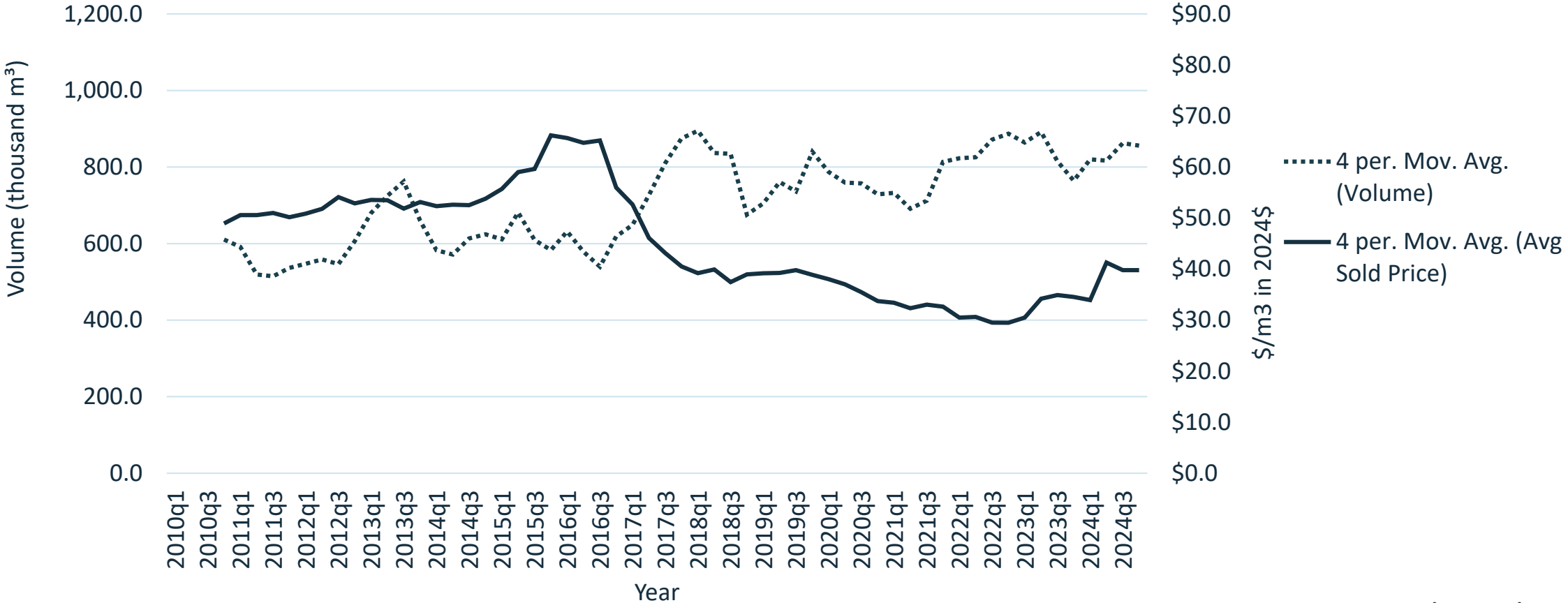
Michigan Forest Resources

- Average annual net growth is 792 million cubic feet, harvest removals are 441.6 million, and mortality is 435.3 million.
- Growth exceeds harvest removals by about 1.8 to 1.
- For every cubic foot harvested, roughly 1.8 cubic feet are added
- Removals are about 5.6 million cords, or about 1.1 percent of standing volume

Forest Resources into Markets

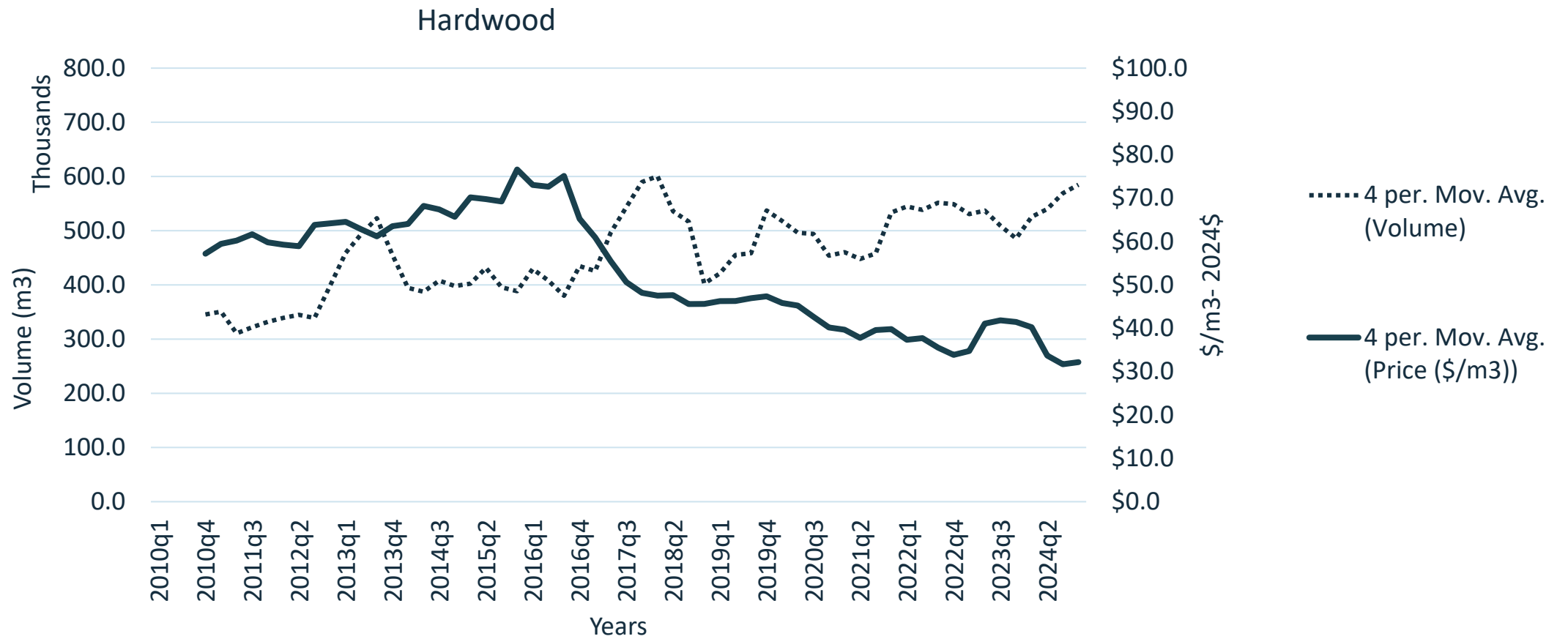
- Michigan forests are growing faster than they are harvested
- Forest resources alone do not determine timber harvest levels
- Timber markets are influenced by supply factors, mill demand and capacity, and regional and national wood product markets
- Forest management policies
- The next section examines the trends in timber sale volume and stumpage prices in Michigan

Timber Market in Michigan (All species)

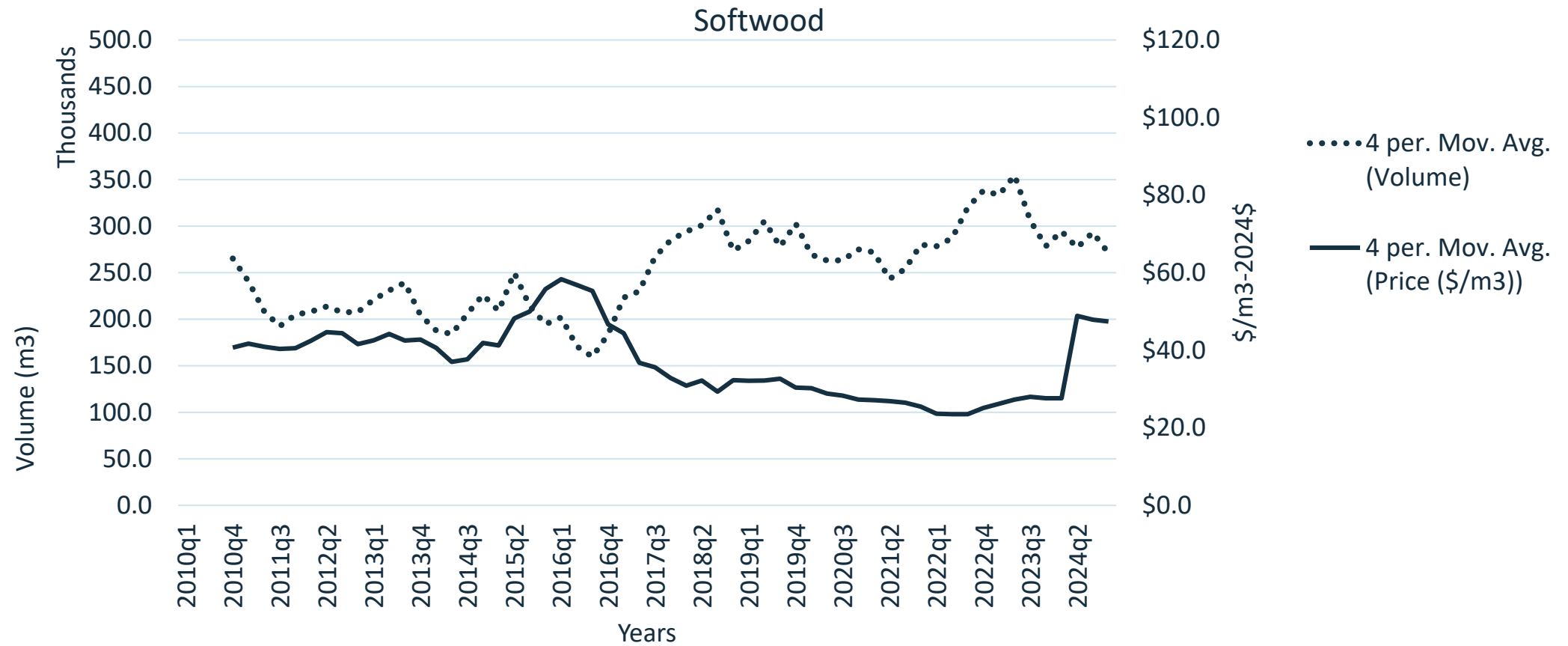


Data: MI DNR Timber Sale

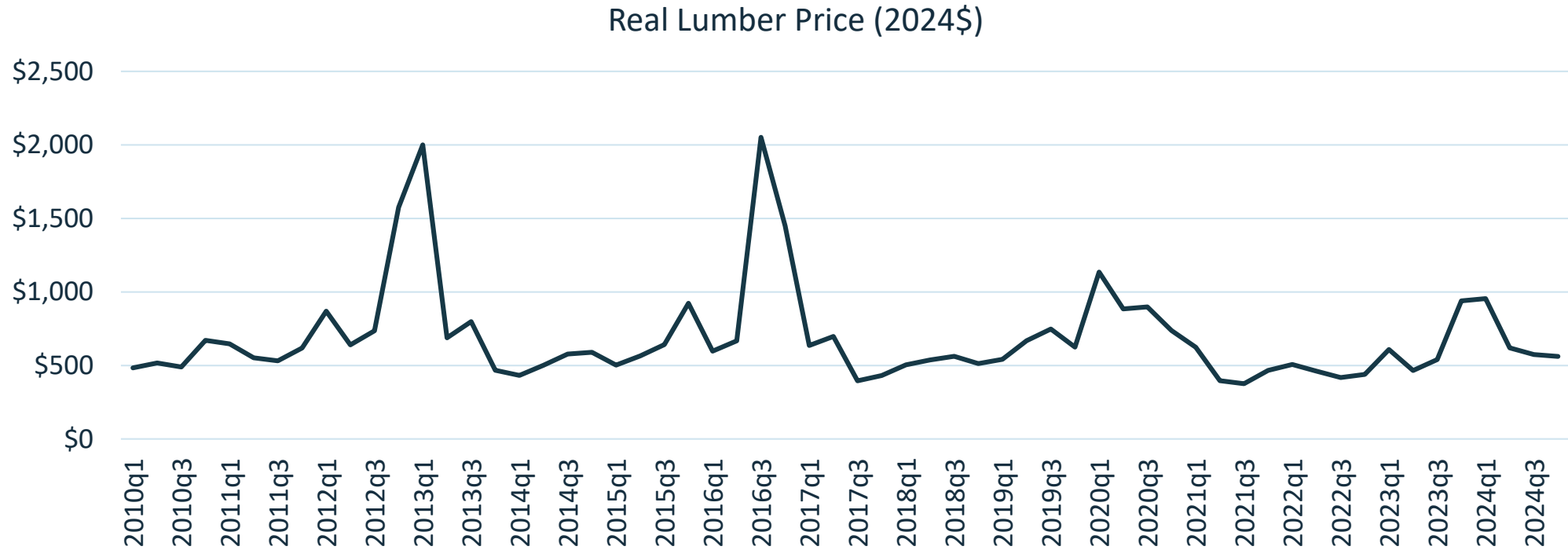
Timber Market in Michigan-Hardwood



Timber Market in Michigan-Softwood



Lumber Price in Michigan

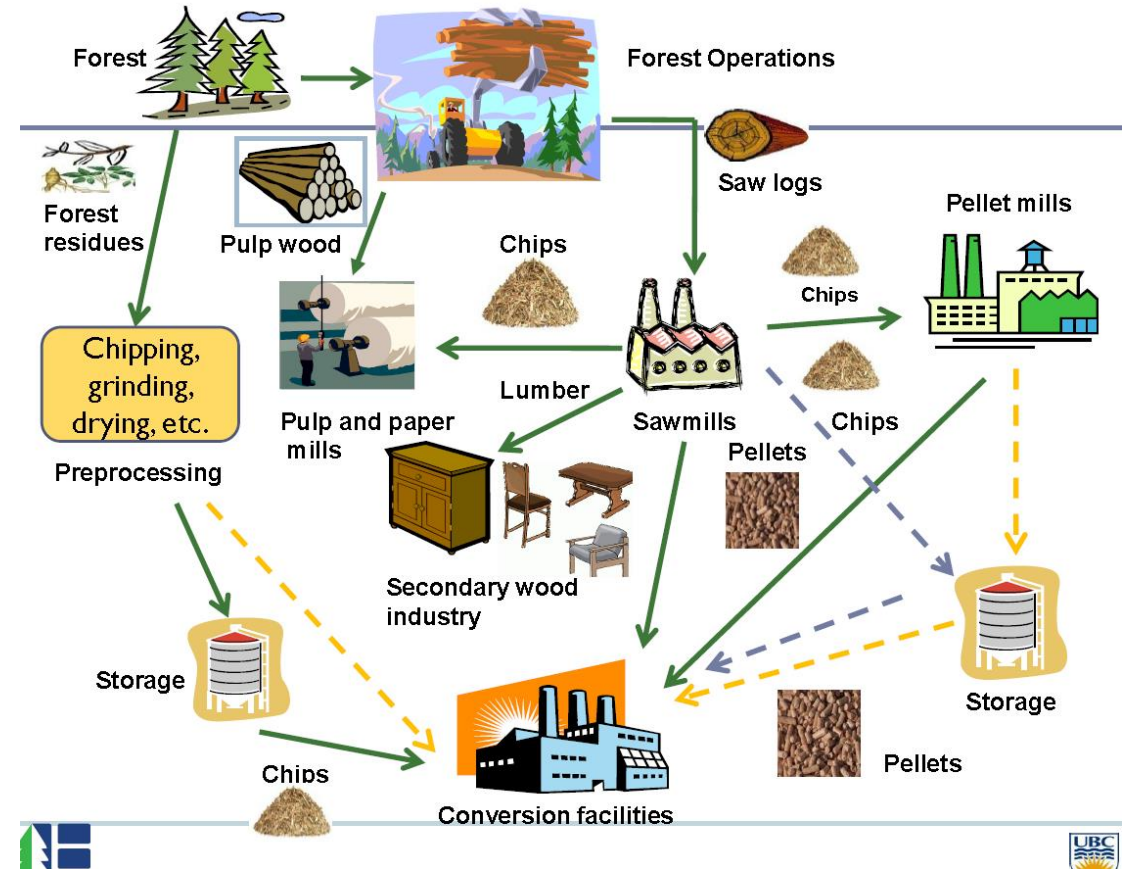


Data source: Fastmarkets

Timber market to economic contribution

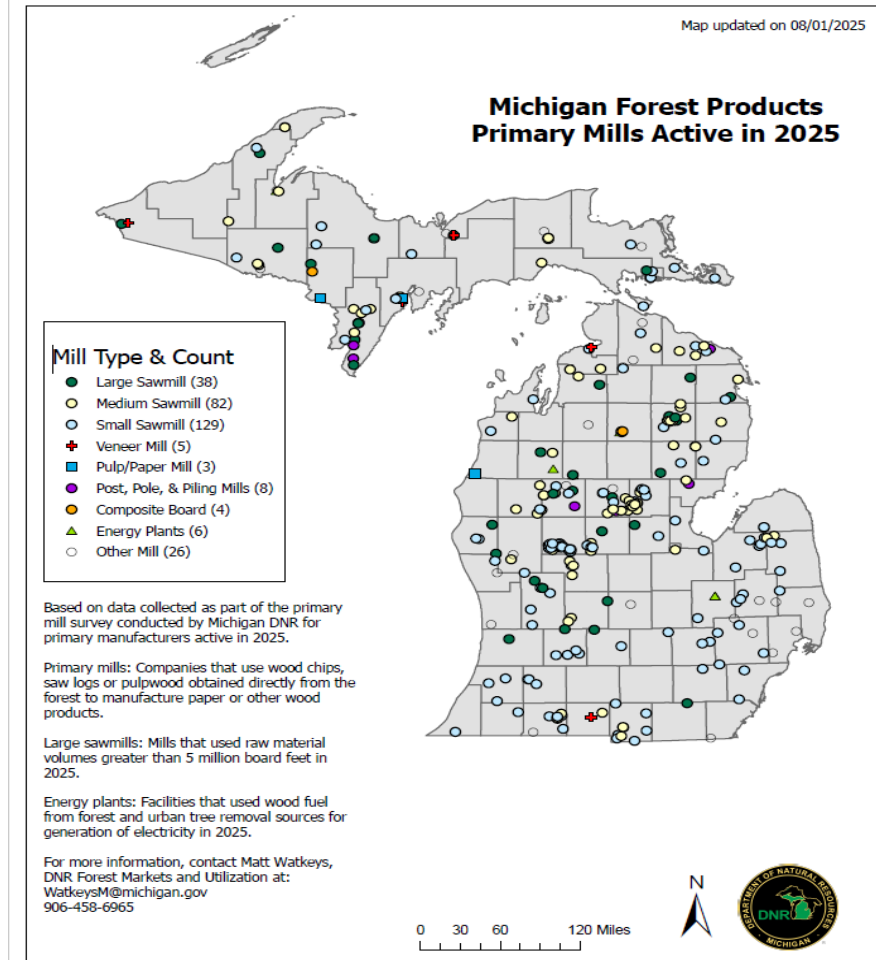
- Timber markets influence more than stumpage prices and harvest levels.
- Timber markets support a large network of industries that process wood into products
- Together, these sectors generate significant employment, income, and economic activity across the state.

The next section examines the overall economic contribution of Michigan's forest products industry.



Michigan Forest Products Industries

- Active mills declined by 27 facilities in 2023, totaling 290 statewide.
- Sawmill numbers decreased since 2021
- Veneer mills increased
- Pulp, particle board, and industrial fuelwood mills remained stable.



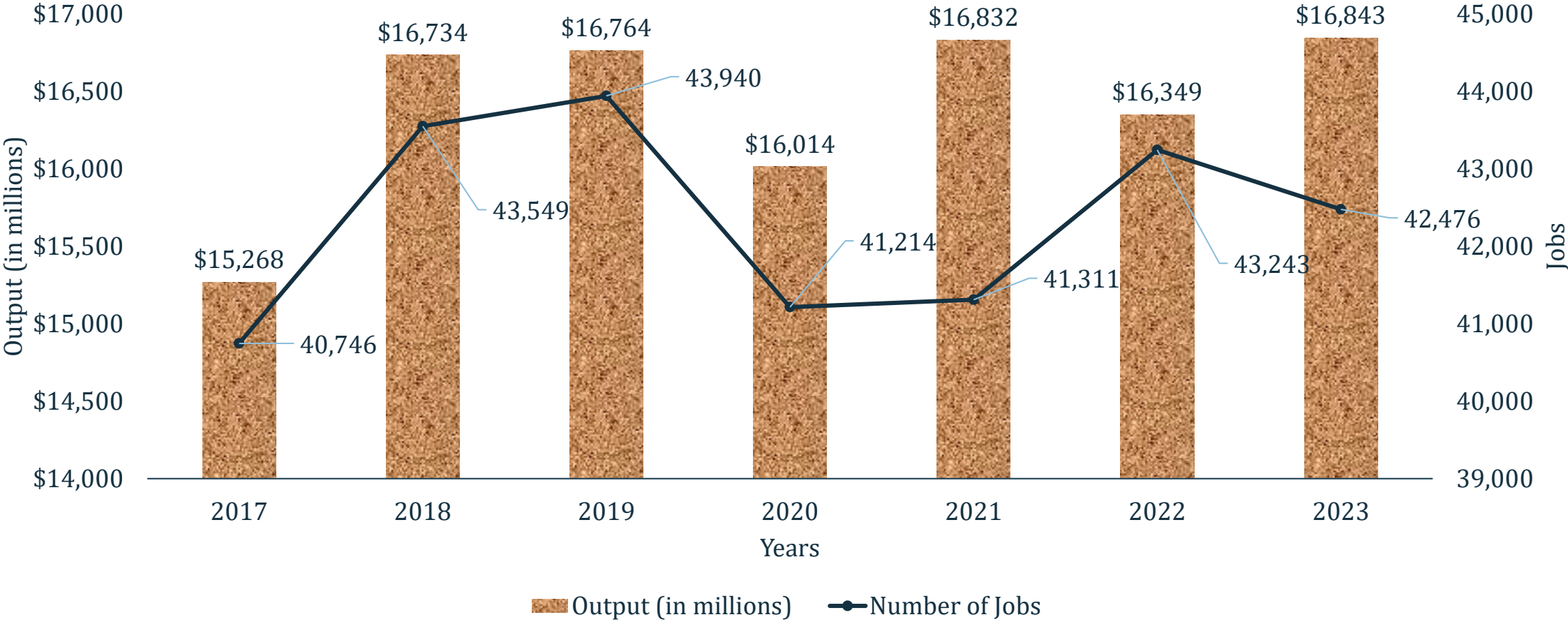
Economic Contribution: 2023

	Employment	Labor Income	Value-added	Output
Direct in 2023	42,476	\$3,390,447	\$4,942,889	\$16,843,409
Compared to 2017	4.2%	3.7%	16.1%	10.3%
Total in 2023	92,966	\$6,848,627	\$10,817,316	\$27,338,573
Compared to 2017	2.0%	2.3%	10.8%	8.0%
Multipliers in 2023	2.19	2.02	2.19	1.62

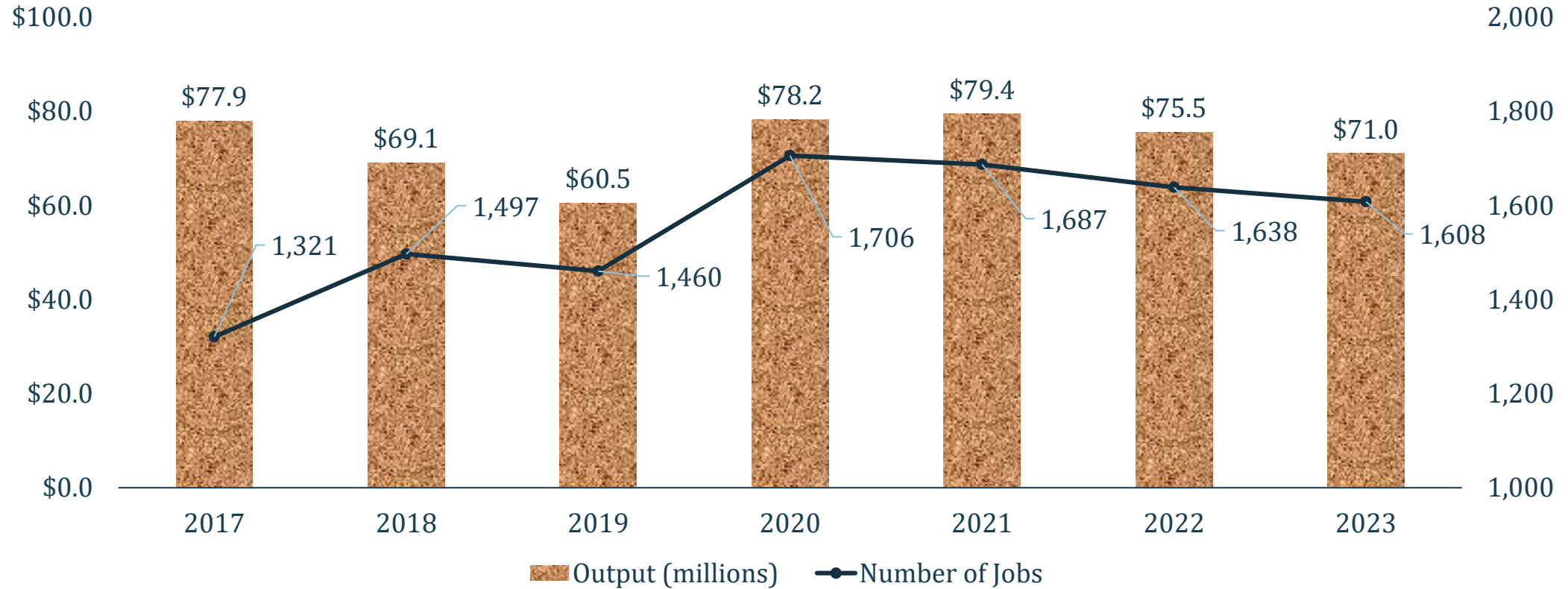
Labor Income, Value-Added, and Output are in thousands of U.S. dollars, adjusted to 2023 dollars value.

- Each job in the forest products industries supports roughly 1.2 additional jobs elsewhere in the economy
- Every dollar of direct output generates about \$0.62 in additional economic activity through inter-industry and household-spending linkages

Direct Economic Contribution Trend

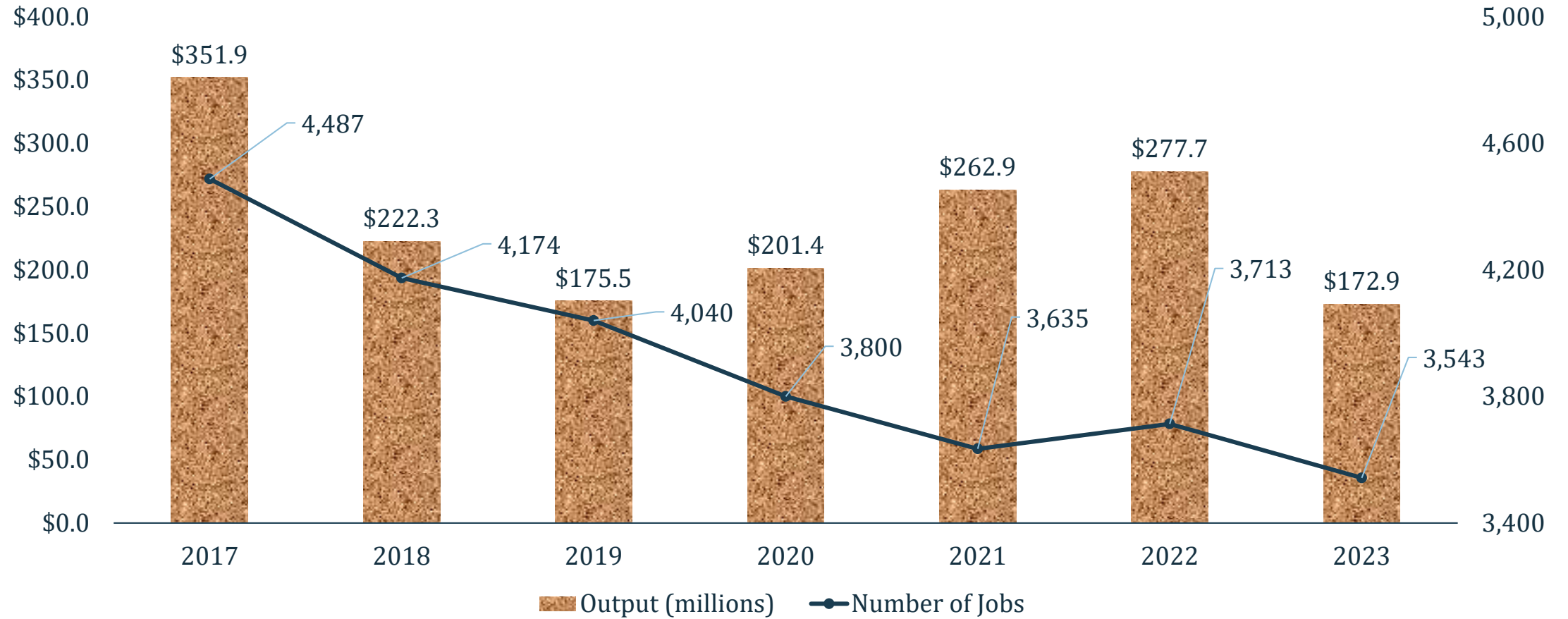


Direct Economic Contribution: Forestry

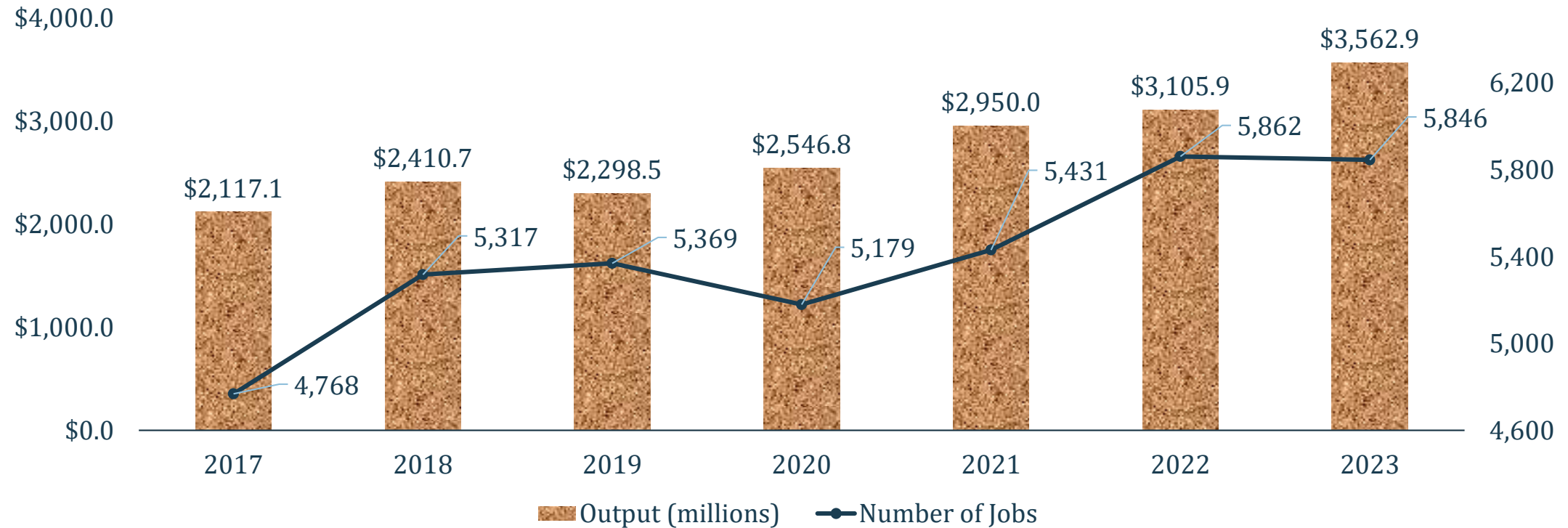


Sectors include (1) timber tract operations, which involve managing forest lands primarily for the sale of standing timber; (2) maple syrup production; and (3) support activities for forestry.

Contribution by Logging Sector

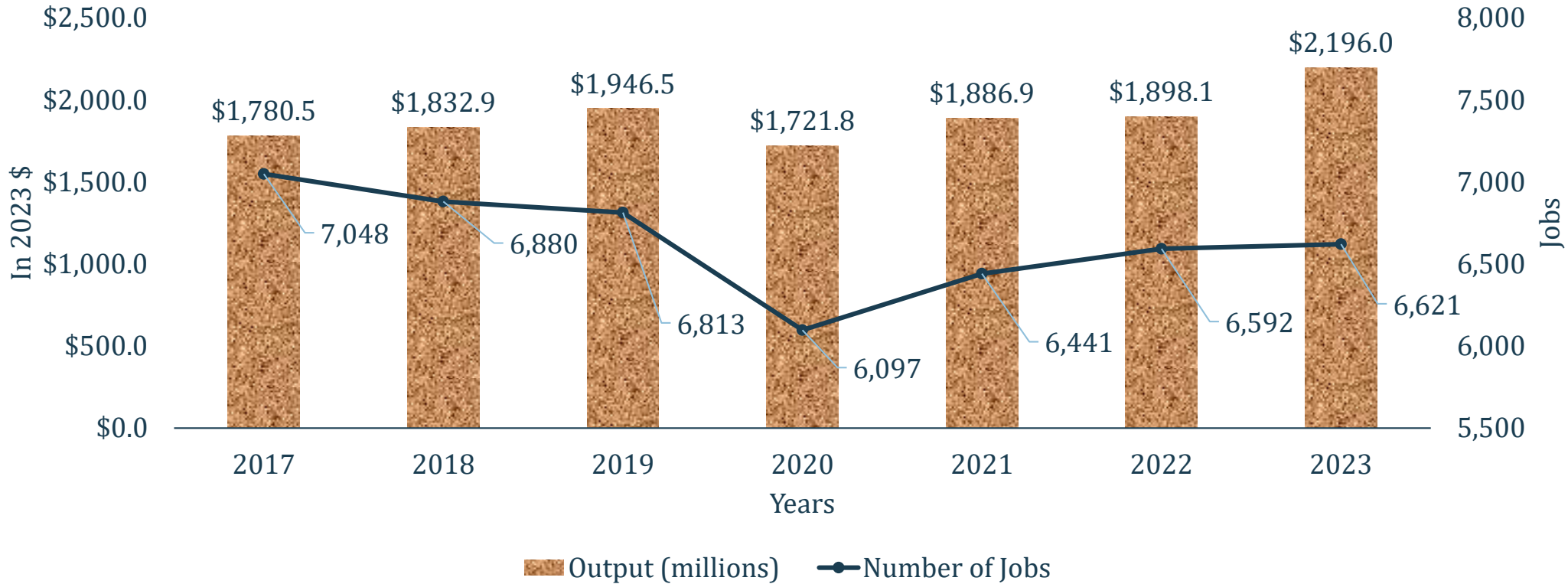


Contribution by Primary Solid Wood Products



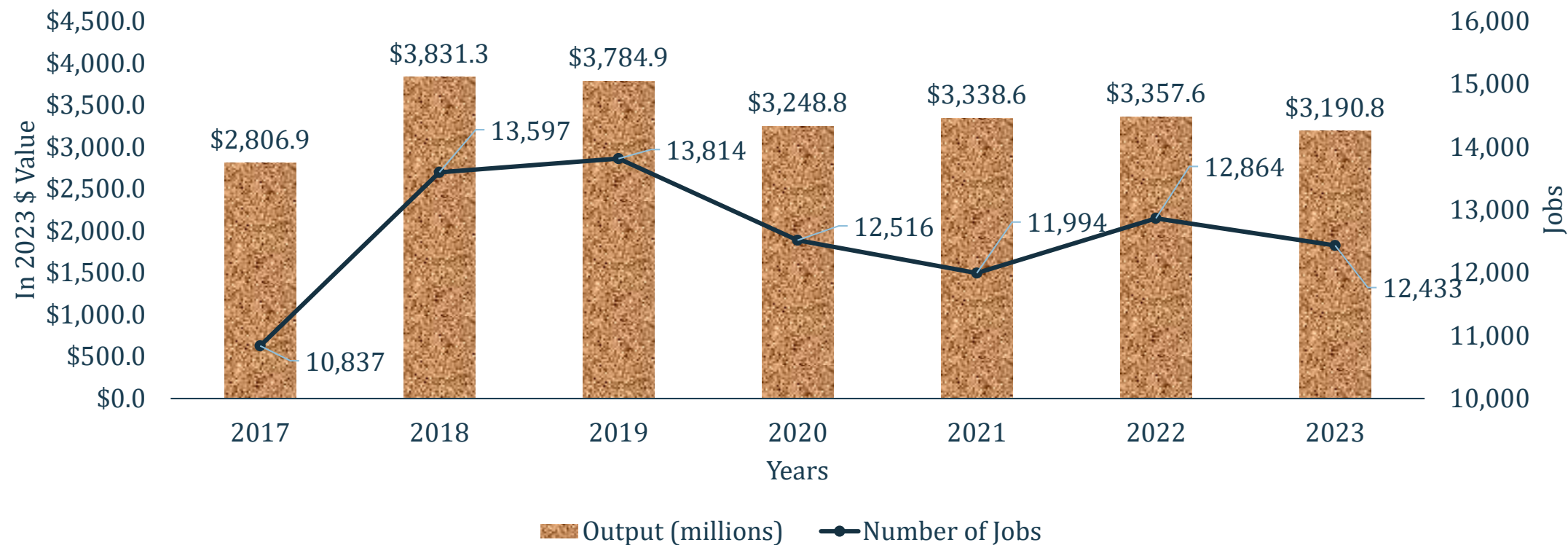
Sector includes wood-based electric power generation, sawmills, wood preservation, veneer and plywood manufacturing, and reconstituted wood product industries.

Contribution by Secondary Solid Wood Products



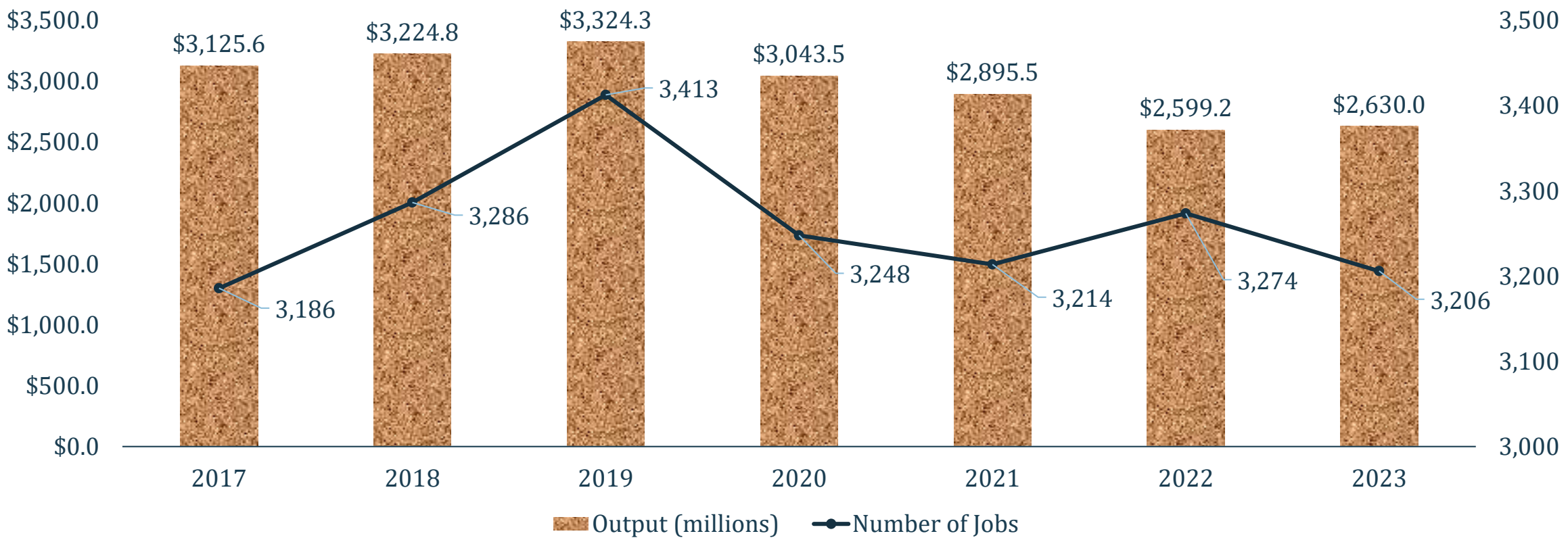
This group includes engineered wood member and truss manufacturing; wood windows and doors manufacturing; cut stock, resawing lumber, and planing; other millwork, including flooring; wood container and pallet manufacturing; manufactured home production; prefabricated wood building manufacturing; and other miscellaneous wood product manufacturing.

Contribution by wood furniture



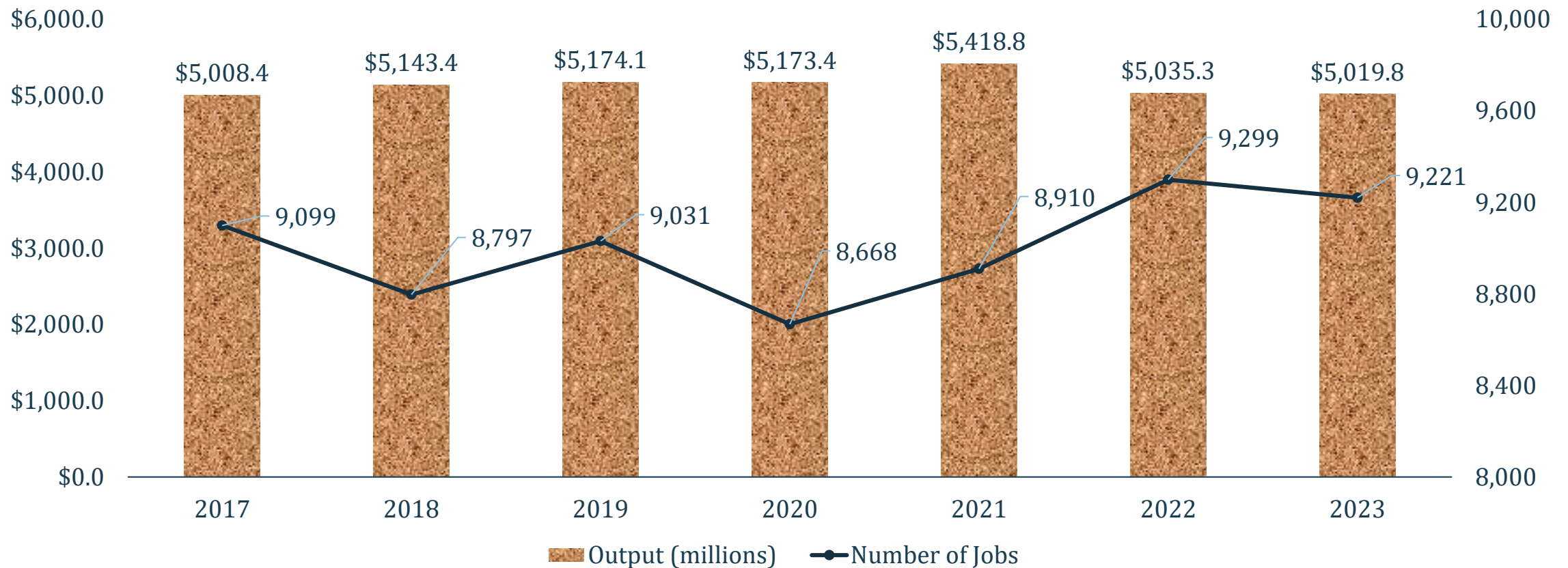
The Wood Furniture group includes kitchen cabinet and countertop manufacturing; upholstered and non-upholstered household furniture; institutional and office furniture; custom architectural woodwork; and showcase and partition manufacturing.

Contribution by Pulp, Paper, and Paperboard Mills



The Pulp, Paper, and Paperboard Mills group includes pulp mills, paper mills, and paperboard mills that produce paper or pulp from raw wood or purchased pulp

Contribution by Secondary Paperboard and other Paper Products



The Secondary Paperboard and Other Paper Products group includes sanitary paper product manufacturing; paper bags, coated and treated paper manufacturing; stationery; paperboard container production; and other converted paper products.

Ranking in terms of direct Economic Contributions in Michigan state, 2023.

Rank	Employment	Labor Income	Value added	Output
1	Paperboard container manufacturing (7,152)	Paperboard container manufacturing (\$636,702)	Paperboard container manufacturing (\$862,430)	Paperboard container manufacturing (\$4,076,006)
2	Wood office furniture manufacturing (4,137)	Wood office furniture manufacturing (\$345,814)	Wood office furniture manufacturing (\$436,070)	Paper mills (\$1,627,881)
3	Commercial logging (3,543)	Showcase, partition, shelving, and locker manufacturing (\$252,673)	Paper mills (\$404,708)	Sawmills (\$1,471,712)
4	Showcase, partition, shelving, and locker manufacturing (3,039)	Paper mills (\$235,862)	Reconstituted wood product manufacturing (\$378,722)	Reconstituted wood product manufacturing (\$1,289,496)
5	Sawmills (2,930)	Sawmills (\$216,227)	Sawmills (\$356,910)	Wood office furniture manufacturing (\$1,165,727)

Top ten Industries Impacted by Forest Products Industries

Industries	Number of Jobs
Warehousing and storage	2,460
Other real estate	2,133
Truck transportation	2,101
Wholesale - Other durable goods merchant wholesalers	1,928
Employment services	1,830
Hospitals	1,571
Couriers and messengers	1,518
Full-service restaurants	1,491
Limited-service restaurants	1,351
Management of companies and enterprises	1,167
Total	17,550

Conclusions

- Michigan forests remain sustainable: growth exceeds removals.
- Timber markets shifted during the period after Good Neighbor Authority expansion, increasing harvest volume and putting downward pressure on stumpage prices.
- Forest products industries remain a major economic driver, generating \$27B in output and ~93,000 jobs.
- Processing sectors (paperboard, sawmills, furniture) account for the largest economic contributions.
- Emerging opportunities include biochar, biomass energy, and mass timber markets.

Thank you for your time

Contact Information

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