

Wood Product Manufacturing

The wood product manufacturing cluster has deep roots in Clackamas County and Oregon. Early pioneers established timber logging, lumber production, and wood product manufacturing as primary industries that drove the Oregon and local economies. In spite of Oregon's economic evolution from timber harvesting, lumber production and ship building to high-tech manufacturing and service occupations, wood product manufacturing continues to be an important industrial cluster of economic activity in Clackamas County. The presence of the Mt. Hood National Forest and large private timber stands located in east Clackamas County provides a declining resource that has traditionally fed wood mills in rural communities, such as Estacada and Molalla. Locally-produced wood products in Clackamas County include lumber, plywood, wood trusses, cabinets and pallets.



Economic Benefits to Clackamas County and the Region

As one of Clackamas County's most mature industry clusters, wood product manufacturing continues to play a prominent role in the local economy, particularly in rural areas, such as Estacada, Sandy and Molalla. While employment within this cluster generally swings with residential construction cycles, increasing timber harvest levels and a growing export market are helping to increase sales for Wood Product Manufacturing companies. Clackamas County's beneficial location includes convenient access to local timber harvests combined with excellent proximity to wholesale and export markets and workers. The proximity of other symbiotic clusters, including advanced technology- high tech, and metals and machinery manufacturing should make Clackamas County a competitive location for Wood Product Manufacturing for many decades.

As a direct economic benefit, production costs, employee compensation, and tax payments account for nearly \$75 million in direct value added GDP in Clackamas County, and leverages an additional \$31 million in secondary regional GDP from supply chain purchases and employee spending multipliers.

Wood Product Manufacturing Cluster Current Stats for Clackamas County

- Gross Domestic Product (GDP): \$75 M
- Cluster Share of County GDP: 0.4%
- Exports/Sales from Outside Region: 56%
- Direct Employment: 720
- County Businesses: 23
- Number of Businesses in the Top 100: 1
- 10-year Job Growth Forecast: 18%
- Cluster Location Quotient (LQ): 1.77

Source: compiled by FCS GROUP based on IMPLAN (2013), adjusted to 2015 dollars. 10-year forecast provided by the Oregon Employment Department. GDP = gross domestic product. Location Quotient (LQ) depicts relative share of this industry's contribution in Clackamas County compared to this industry's contribution in the 9-county Metropolitan Statistical Area.

Wood Product Manufacturing 2013 Impacts



Total Impact on MSA: 1,579 jobs; \$143 M in GDP



CLACKAMAS COUNTY ECONOMIC LANDSCAPE
Wood Product Manufacturing

Wood Product Manufacturing Cluster: Annual Economic Benefits

	2006	2009	2010
Industry Location Quotient	2.58	1.12	1.77
Contribution to County GDP	0.8%	0.3%	0.4%
Business Establishments in County	30	26	23
Average Labor Income (per job) in County	\$42,809	\$42,059	\$53,906
Labor Income in County	\$62,840,000	\$32,680,000	\$38,810,000
Employment			
Direct Jobs in Clackamas County	1,468	777	720
Secondary Employment	1,732	517	858
Total Direct & Secondary Employment	3,200	1,294	1,578
Direct GDP and Output in Clackamas County			
Total GDP (Value Added)	\$158,160,000	\$49,340,000	\$75,020,000
% Traded Outside Region	n/a	56%	56%
Output	\$410,380,000	\$157,790,000	\$183,660,000

GDP = Gross Domestic Product.

Source: Analysis by FCS GROUP. All data in this table with the exception of business establishments, are based on 2006, 2010, 2013 IMPLAN estimates. Employment reflects total jobs (full and part time workers as well as the self-employed). Estimated business establishments are derived from the Oregon Employment Department. Location quotients are based on Clackamas County's relative propensity to attract employers within this cluster in comparison to the nine-county Portland-Vancouver Metropolitan Statistical Area (MSA). *Note: Dollar figures are adjusted to 2015 dollars.*

Wood Product Manufacturing Strategic Market Opportunities

- Success of the cluster will depend on the extent to which Clackamas County and the federal land managers develop a shared strategy for national forest lands. Global demand for construction material is expected to expand dramatically, with China alone estimated to require enough materials to build 300 billion square feet of real estate (the same amount as the current U.S. total) by 2025.
- Demand for green building products also is expanding regionally and globally. The Portland region has emerged as a national leader in the green building industry. Clackamas County has capacity to meet part of global demand through its forest lands and wood products manufacturing.
- Forests are becoming more valuable as carbon and ecosystem services markets are created. These markets increase the financial rewards for carbon sequestration in established forest stands and, potentially, for wood products that last over 100 years. Clackamas County land owners and wood products manufacturers may receive significant benefit from sustainably managed forests and Forest Stewardship Council certified lumber stands in the Mt. Hood National Forest. Selective thinning and fire prevention strategies can create immediate opportunities for job creation.
- Technology trends indicate increased demand for advanced engineered wood products for commercial and residential construction and durable products, such as mill work and flooring. In addition, modular housing composed of wood products provides opportunities for reduction of housing costs. Robotics and precision cutting systems and new manufacturing techniques are creating new job classifications within the wood manufacturing industry, in specialized software design. These trends all create opportunities for the local wood products industry.

Wood Product Manufacturing Cluster North American Industrial Classification System (NAICS) Categories

3211: Sawmills and Wood Preservation

3212: Veneer, Plywood and Engineering Wood Products

3219: Other Wood Product Manufacturing
Such as mill work, flooring, trusses, cabinets, containers, and ballets.

Includes businesses primarily engaged in the manufacturing of wood products, such as lumber, plywood, veneers, wood containers, flooring, trusses, and prefabricated wood buildings.

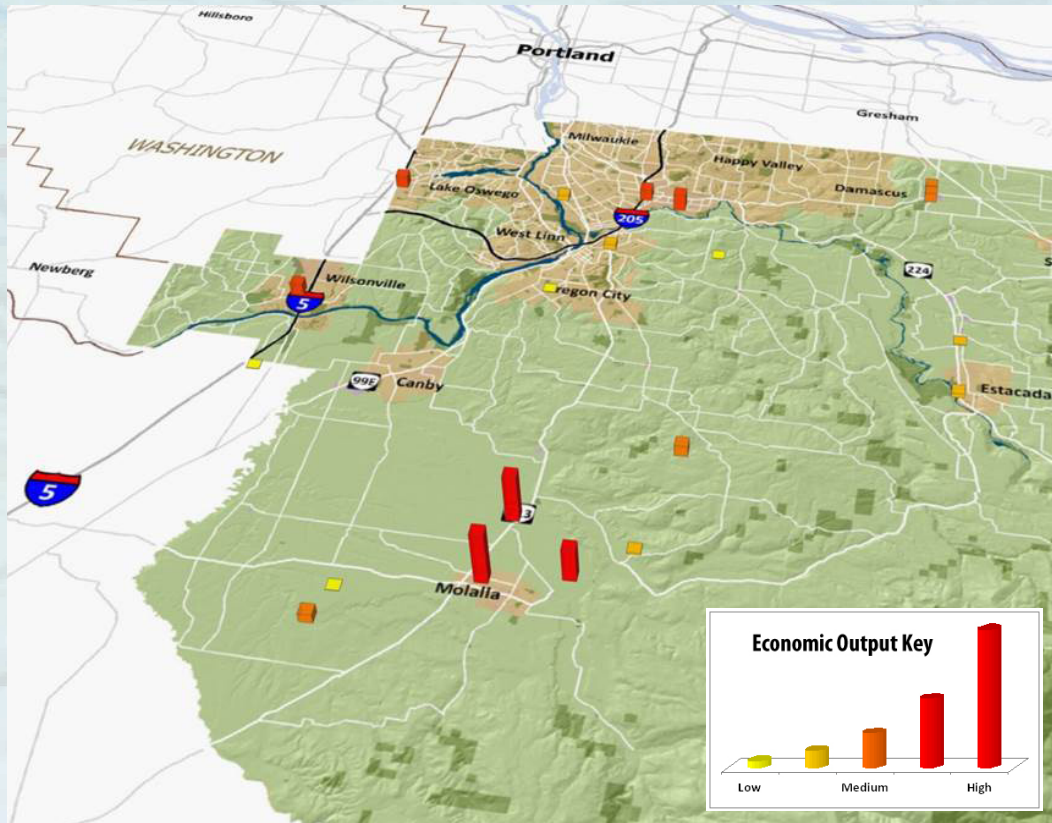
Sample of Wood Products Companies in Clackamas County

Boise Cascade Company *
Brentwood Corp.
Classic Manufacturing NW LLC
Interfor Pacific Inc.
Pacific Lumber Company
Precision Roof Trusses' Inc.
Probuild Company LLC
Sanders Wood Products Inc.
Shelf Expressions
Western Pallet Inc.

Source: Oregon Employment Department; FCS GROUP
 * Indicates top 100 County Business Listing



Existing Wood Product Manufacturing Businesses in Clackamas County: Annual Regional Economic Output by Location*



* Reflects total economic output attributed to business activities measured in 2013 using the IMPLAN model for Clackamas County.

CLACKAMAS COUNTY ECONOMIC LANDSCAPE Wood Product Manufacturing

Career Opportunities

The Oregon Employment Department forecasts new job openings for occupations in the wood products industry for expansion as well as the replacement of existing positions due to retiring workers. The leading job occupations in this cluster include:

- Sales representatives
- Woodworkers/carpenters
- Laborers and stock workers
- General managers and operations managers
- Truck drivers and fork lift operators
- Machine operators and maintenance workers
- Inspectors/testers
- Assemblers



Resources

Clackamas County Business & Economic Development
www.clackamas.us/business

Business Oregon
www.oregon4biz.com

Clackamas Workforce Partnership
www.clackamasworkforce.org

Oregon Forest Resources Institute
www.oregonforests.org

Oregon State University Extension Service
www.extension.oregonstate.edu

Oregon Forest Industries Council
www.ofic.com

American Forest Resource Council
www.amforest.org

Forest Stewardship Council
www.fscus.org

Western Wood Products Association
www.wwpa.org

U.S. Green Building Council
www.usgbc.org

Cascadia Region Green Building Council
www.cascadiagbc.org

Associated Oregon Loggers
www.oregonloggers.org

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