

THE FOREST ECONOMY

The Department of Forests, Parks and Recreation's (FPR) Forest Economy program works to maintain a vibrant forest-based economy and promote the use of renewable biomass energy as an alternative to fossil fuels. The program provides information and education to diverse audiences on the economic and technical aspects of wood availability, harvesting, processing, and markets.

WHY IT MATTERS

A thriving forest products sector supports land ownership and land use patterns that maintain intact and healthy forests, provides incentives for the sustainable use of forest resources, and contributes to a vibrant rural economy.

Vermont's forest products sector has faced significant challenges in recent years, exacerbated by the COVID-19 pandemic, changing weather and climate patterns, rising costs, and an aging workforce population. The [Vermont Forest Future Strategic Roadmap](#) includes recommendations to address many of these challenges.



DECLINING CAPACITY

Vermont's forest products processing capacity has been steadily declining. Between 1990 and the early 2000s, the state was home to 150–200 active sawmills. By 2022, however, our annual survey reported just 39 mills still in operation.

	2018	2022	% change
Annual harvest (cords)	1,046,148	803,164	- 23%
Sawlogs (MBF)	136,909	88,723	- 35%
Pulpwood (cords)	163,056	73,004	- 55%
Vermont Mill Consumption (MBF)	87,980	79,988	- 9%
Growth-to-harvest removal ratio on timberland	2.7:1	2.9:1	+ 7%

The average age of the logging workforce is over 50, and barriers to entry for younger generations are high, particularly in terms of capital investment requirements for equipment. FPR and its partners are working to address this challenge through the implementation of the Roadmap, which includes actions aimed at expanding and modernizing the forest sector workforce.

THE FOREST ECONOMY AT A GLANCE

According to the most recent economic data (2017), Vermont's forest products sector supported:

- Over 13,000 jobs
- A total economic contribution of \$2.1 billion to the state, with \$770.8 million in value added

Vermont's forests produce significantly more timber than can be processed locally. While forest growth rates are beginning to slow as trees move into older age and larger size classes, timber harvesting has also declined over the past decade. Vermont's net growth-to-harvest ratio, a key measure of sustainability, increased from 1:1 in 2006 to 3:1 in 2022. This means the annual growth of trees in our forests is currently about 3 times the amount of wood being harvested or lost to mortality.



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