

## SOAR - Next Steps for Job Growth – Unlocking the Forest Industry Potential<sup>1</sup>

**SOAR REGIONS POTENTIAL** – The forestry sector analysis of the potential for jobs and economic growth, found in “SOAR-Analysis of the Forest Industry’s Potential in Eastern Kentucky” created in March of 2015, indicates that the 54 county SOAR region has the potential to sustainably add over 7,000 jobs and \$1.5 billion dollars in direct economic contributions (and \$2.3 billion in total) to the commonwealth of Kentucky. This can be accomplished, over time, through strategic development of specific forest industries compatible with the SOAR region, including improved use of the region’s low-grade trees and increased value-added industries to process the primary forest products (including lumber) currently being produced. Finally, the paper indicates that site-specific analysis is needed to determine the best forest industry fit at a local level.

**INDICATORS TO BUILD UPON** - Over the last few years, Kentucky’s forest industries have rebounded from the devastating economic losses they experienced from 2009 to 2013. Since this time, both domestic and overseas entities have shown increased interest in eastern Kentucky’s timber and lumber. For example, the significant demand for white oak barrels and white oak lumber is projected to continue and national and export demand for lower quality products, like railroad ties, also remains strong. In addition, increased primary milling output by existing SOAR-region forest industries has increased the regions overall lumber production, which can be readily used by new secondary forest industries locating in the SOAR region. At the same time, the challenges to Kentucky’s forest industry, such as the growth of lower-grade trees and forest products, are still significant and there is a need for regionally-based utilization options. Fortunately, the SOAR region possesses forest industry workforce training and support through UK’s Wood Utilization Center, an entity that has already proved its worth in attracting forest industry to the region. All of these indicators point to the potential of increased industry development in the SOAR region; we need to act to capitalize on this potential with strategic planning and marketing of the regions forest industry potential.

**NEXT STEPS** - It is clear that the SOAR region has the potential to benefit from the expansion of existing forest industries and the development of new forest industries. One mechanism to assist in capturing this potential is to develop a SOAR-based forestry industry initiative to facilitate industry recruitment. This short-term (3-5 year) initiative would be designed to assist individual communities within the SOAR region in 1) determining the best fit of forest industries in their area, and 2) advertising and recruiting targeted forest industries to their area. While this initiative could follow a range of potential structures, it would be prudent to acquire specialists in the following areas to facilitate informed SOAR forest industry recruitment:

- **Spatial Resource Specialist:** This specialist would work with forest industry and spatial analysis specialists at the University of Kentucky, Department of Forestry and the Kentucky Forest Industries Association to provide spatial resource and transportation analysis for specific locations in the SOAR region. Their analysis would help define which forest industries provide the best and most sustainable fits for different SOAR locations.
- **Industry Recruitment Specialist:** This specialist would work in collaboration with the Spatial Resource Specialist, economic development specialists, community partners, government organizations, and existing forest industries to develop prospectus and marketing resources and actively work to recruit industries.

In summary, there is significant forest industry potential in eastern Kentucky and the SOAR initiative is positioned well to start the process of developing and supporting stronger industry relationships in the region.

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<sup>1</sup> White paper by Dr. Jeff Stringer, Extension Forestry Professor, upon request and is based on finding of the analysis conducted by the University of Kentucky College of Agriculture, Food and Environment, Department of Forestry Extension (J. Stringer, B. Ammerman, B. Thomas) entitled “SOAR- Analysis of the Forest Industry’s Potential in Eastern Kentucky” 3/2015 available at [www.ukforestry.org](http://www.ukforestry.org).