U.S. Economy, Is It Good, Bad or Okay?

Well I guess it depends on which sector of the economy that your business is most closely tied to, of course. The interesting thing about the forest products industry in Missouri is that we produce products that move in to very different sectors of the economy. For example, a single sawmill may produce products that feed in to the steel, packaging, transportation, housing, paper, landscaping, and furniture industries (among others) in a single day. Unfortunately, these sectors of the economy are rarely humming at the same time so “equilibrium” is rarely achieved.

To further complicate our view of the current economy is our dependence on foreign markets. We all seem to be sitting on the edge of our seats waiting for a trade resolution between the U.S and China. Recent news reports have indicated that a deal is eminent but just today an announcement was made that President Trump and President Xi Jinping are pushing their March meeting date to sometime in April. Who knows when a deal will be struck, and more importantly, how lumber markets will respond once the new agreement is in place.

Manufacturing output rose to an all-time high in the third quarter of 2018. Manufacturers produced $2.35 trillion in value-added output in the third quarter of 2018 according to the National Association of Manufacturers. Manufacturing contributed 0.31 percentage points to real GDP growth in the third quarter. MFPA members who produce products that support manufacturing are likely realizing a strong demand for their material.

The domestic economy seems to be humming along pretty nicely, as indicated by 2.9 percent GDP in 2018 and historically low unemployment rates. Economists are predicting a little slower growth in 2019 but most seem to agree that the economy will remain strong this year with continued very low unemployment rates. New housing starts in January 2019 were up 1.4 percent over December 2018, but December housing starts were really down so the increase doesn’t really reflect good news in the housing market. Additionally, existing home sales in January 2019 dropped to the lowest level in nearly four years, another indicator of a weak housing market. The overall positive domestic economy is not necessarily driving a growing housing market, mainly because of increasing interest rates and rising material costs creating an affordability issue for many people. So, the struggling housing markets, combined with export challenges, have complicated grade lumber markets for many MFPA members.

I sincerely hope that we see improved weather conditions in the coming weeks. It is scary to think that we haven’t seen April and May yet which are historically wet months. Logging conditions across Missouri are terrible and our industry is feeling the impacts. Log inventories are low and mill production is suffering from the lack of logs. During a recent trek through southeast Missouri I detected fewer logs on mill yards that I have seen in recent memory. Well at least February is behind us; hopefully we will have a dry spring!

-Brian Brookshire , Executive Director
It’s Time To Renew!

Membership renewal forms have been mailed and it’s time to renew your membership to continue receiving all the benefits of MFPA!

In your envelope you will find your membership dues invoice and the current contact information we have listed for your company. When returning your membership form please notify us of any changes to your contact information or any products and services you offer.

Please return your dues and information promptly as we have started assembling the 2019-2020 Membership Directory...

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RTA John Mabry Forestry Scholarship Now Open

The Railway Tie Association offers two scholarships worth $2000 each to students in a Society of American Foresters accredited forestry program. These scholarships are available to third year students in a four year program, or second year students in a two year program for the 2019-2020 school year.

If you know of a student who is eligible to apply, please forward this information on to them. They can apply by going to https://rta.org/scholarships. The deadline is June 30th and winners will be notified by August 10th.
MARK TWAIN NATIONAL FOREST SEEKS INPUT FROM MFPA MEMBERS

Casey Hawes, Timber Program Manager, for the MTNF in Rolla has reached out to Executive Director Brian Brookshire regarding input on small diameter hardwood utilization from management projects on the forest. Casey would like to hear from members who would potentially be interested in purchasing material 5" to 9" DBH up to a 4" tip for standing timber and/or topwood that is 7.6" up to 4" tip. He has indicated that the forest is considering management projects that require small diameter removal but needs information on industry utilization/harvesting requirements that may/may not make these projects feasible. Please contact Casey Hawes directly at 573-341-7426 or chawes@fs.fed.us to provide input.

MIDWEST ENVIRONMENTAL COMPLIANCE CONFERENCE

Kansas City Convention Center
April 23-24, 2019

For information, visit www.mecconference.com.

Key Agenda Items:
1. 20 Great EHS Ideas and Pitfalls to Avoid
2. The Year in Review: A Conversation with Region 7 Leaders
3. Higher Education Track: New Challenges
4. Air Policy and Water Policy Panels: State and Federal Officials and Regional Experts
5. Criminal and Civil Enforcement Trends
6. Transparency in Science: EPA’s Proposed Data Science Rule

Keynote Speaker: Tracy Mehan, Executive Director, Govt. Affairs, American Water Works Association, on “Washington D.C. - 68 Square Miles Surrounded by Reality”

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The first part of 2019 has given us a chance to help ourselves in the future. It comes as no real surprise that industry wide, it is getting harder and harder to draw young people into the forest products industry. That's one of the basic facts that inspired the idea of the MFPA Logging School, but I will come back to that in a minute.

There are actually a couple of different issues we face. The first is lack of knowledge about our industry. Not a lot of kids are that familiar with what's out there, either as products or career opportunities. Those that do know are relying on information that continually points to the high danger in our woods. Well, I am proud to say we are making steps to address some of the misconceptions. Within the past few weeks, there have been several class loads of kids visit Brinkley Wood Products in Piedmont. While Greg is the Master Logger, it was Kawanda that got to tell the story. "It was a very good group," said Kawanda, "there was this one senior the teacher kept talking about...his work ethic. When I told him about mechanized logging, he grinned from ear to ear. I think he might be a good prospect."

Meanwhile across the state, another Master Logger is participating. Paul Clancy spent a day helping out with a Career Day in Sparta. Paul says the day was filled with good kids and maybe some interest about forest products. Paul says, "There were about 60 kids in total and I think 4 that may be really interested in job availabilities." Paul said these kids wanted to work outside...the same reason he logs.

In Climax Springs, Master Logger Randy Burke's wife RaShell set up a special meeting with seniors and juniors in the school that might consider a career in the forest products industry. There were giveaways...and takeaways from the meeting. There were good questions covering topics from safety to potential earnings.

In Potosi, yet another Master Logger was looking towards the future as Shannon Jarvis and I spent the afternoon talking to classes about potential job opportunities (and the MFPA Logging School). Shannon told the kids why, and how, he got interested in the woods. He also told the kids the importance of being able to pass a drug test and showing up to work on time. "Both of those are very important in our business and students need to know that," said Shannon.

While I am not a Master Logger, I travelled the state talking to FFA teachers and students, classrooms, and career days about the Logging School. I always get a lot of very good questions and the kids take a lot of Logging School flyers. MFPA has challenged our members before to help find ways to get young people involved and more aware of the opportunities in our woods. It's good to see several Master Loggers taking that challenge seriously. Now it is time for the rest of us. There are still some spots available for the upcoming session of the MFPA Logging School. The 10 week session is scheduled to start May 28 just outside of Jefferson City. The comprehensive training will prepare the students to be job ready on Day 1. If you know of a student that is about ready to graduate, or know of a career day in your community...get involved. We will be happy to send you flyers and applications...or happy to do the talking.

Just let us know, mark@moforest.org, 573-634-3252.

By the way...avoid the rush...work on your Continuing Education credit hour now!
Salem, MO is hosting a “Salute to the Timber Industry Parade and Timber Fun Day” to be celebrated on Labor Day September 2. Parade will showcase the timber industry and relative business. The Parade begins at the Commons on Hwy 72 with line up starting at 8:00 AM. The parade will start at 10:30 AM. Following the parade a Timber Fun Day will be had at the Commons from 12:00 to 5:00. Free hamburgers, hot dogs, and bratwurst will be provided by Vandivort Drug in celebration of 40 years in business. The activities include fun games for children, hands on activities such as shingle splitting, rail splitting, crosscut sawing and exhibits for viewing.

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Reserve a spot to advertise your company in the 2017-2018 Membership Directory. Each MFPA member receives a Membership Directory every year. The directory contains detailed company contact information for all current members and the types of products they produce or services they provide. The directory is used by member companies as a valuable information resource when trying to locate equipment, services, and raw material to support your business.

MFPA Members receive 15% off rate price.

MFPA Newsletter

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Reserve a spot to advertise in the monthly Newsletter. All MFPA members receive the Newsletter and can expose your company’s services and products to all MFPA Members.

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