

FORESTRY IS NOW BIGGEST SEGMENT OF FLORIDA AGRICULTURE

By Chuck Woods

April 14, 2005 / Photo available at <<http://news.ifas.ufl.edu/>>

Sources: Alan Hodges (352) 392-1845, Ext. 312, <AWHodges@ifas.ufl.edu>

David Mulkey (352) 392-1845, Ext. 406, <mulkey@fred.ifas.ufl.edu>

GAINESVILLE, Fla.---In a new study that reveals the changing face of Florida agriculture, University of Florida researchers say the forestry industry now has the biggest economic impact on the state - eclipsing citrus, vegetables and ornamentals in terms of output.

Annual output or sales impacts in the forest products industry exceed \$16.6 billion, creating 133,475 jobs, with \$7.5 billion in value-added personal and business income, and generating more than \$581 million in local, state and federal taxes (excluding income taxes), said Alan Hodges, an economist in UF's Institute of Food and Agricultural Sciences, or UF/IFAS.

"Citrus is the crop most people associate with Florida, and the state still leads the nation in citrus production, but our study indicates forestry is now the economic heavyweight in the state's \$67 billion agricultural and natural resources industry," he said.

By comparison, the output in the fruit and vegetable industry is approximately \$12.8 billion, generating 125,000 jobs and \$437 million in taxes, according to the most recent data sources. The environmental horticulture or "ornamentals" industry - which includes production of landscape plants, flowers, foliage, turfgrass and associated landscaping services - generates \$8.9 billion in output impacts in Florida.

While forestry has a bigger economic impact on the state, environmental horticulture still generates more jobs - 154,205 - than forestry in Florida, he said. Environmental horticulture also is the fastest growing segment of agriculture in the United States, and Florida is ranked as the second largest production state in the nation.

Hodges, who studies the economics of Florida agriculture with David Mulkey, a professor in the UF/IFAS food and resource economics department, said other faculty contributed to the report on forestry. They include Janaki Alavalapti and Douglas Carter, associate professors in the UF/IFAS School of Forest Resources and Conservation.

The forestry industry is concentrated mainly in North and Central Florida, with more than 16 million acres or 25,000 square miles of forests, representing nearly half of the state's land area, Hodges said. Forests in Florida are managed to produce a variety of wood and fiber products, with about 650 million cubic feet of wood harvested annually.

Forests also support outdoor recreational opportunities for residents and millions of visitors to the state, providing important nonmarket environmental services such as

biodiversity, water recharge and mitigation of global climate change by absorbing carbon dioxide from the atmosphere, Hodges said.

The growth of the Florida forestry industry mirrors that of other states in the southeastern United States, where forestry is now the leading agricultural commodity.

"The success of the industry in Florida and the Southeast is also driven by the fact that large tracts of forest land are privately owned, while forests in the western part of the nation are largely on public lands," Hodges said. "In many cases, state and federal restrictions on publicly owned lands govern the amount of logging that can take place, particularly in old-growth forests, which accounts for the decline of the industry in the West."

Hodges and Mulkey also estimated the values of recreation and tourism in their study on the Florida forestry industry.

While tourism is the largest and most well known sector of the Florida economy, forested landscapes provide environmental amenities that support this industry, particularly for the growing eco-tourism market, Hodges said. Visitors spend about \$47 billion annually, which translates into an overall economic impact of \$117 billion.

Various surveys indicate that more than half of Florida visitors engage in some type of nature-based activity during their visit, and 19 to 33 percent of all travel and tourism in the southern United States is linked to outdoor recreation, he said. "Using the more conservative 19 percent figure, we estimate that outdoor recreation in Florida has a total economic impact of at least \$22.3 billion annually, creating 332,000 jobs," Hodges said. "And some share of this can be attributed to forest ecosystems."

He cited U.S. Fish and Wildlife Service data showing that wildlife-related recreational activities - including hunting, fishing and wildlife viewing - account for total expenditures in Florida of an estimated \$6.05 billion. He said the figure includes money spent on fuel, lodging, and meals as well as recreational equipment such as boats and guns. "While not all wildlife-related recreational activity is directly attributed to forest resources, most of the recreation, hunting and wildlife watching takes place in forested ecosystems," he said.

In addition to these commercial and recreational use values associated with forests in Florida, there is an array of nonmarket environmental services that are important to recognize, although they may be difficult to measure, he said.

These nonmarket environmental services include: surface and ground water storage, purification of air and water, mitigation of droughts and floods, stabilization of climate, generation and preservation of soils, decomposition of wastes, cycling and movement of nutrients, provision of wildlife habitat and maintenance of biodiversity. Hodges said Florida forests absorb or "sequester" about 5.8 million tons of carbon from the atmosphere every year, which helps reduce the effects of global warming. Using the

figure of \$5 per ton, this positive environmental impact is worth about \$29 million annually, he said.

The study, "Economic Impacts of the Forest Industry in Florida, 2003" (FE 538), is available on the UF's Electronic Document Information Source (EDIS) Web site: <<http://edis.ifas.ufl.edu/>>.