



Training Needs in Louisiana's Value-Added Forest Products Industry

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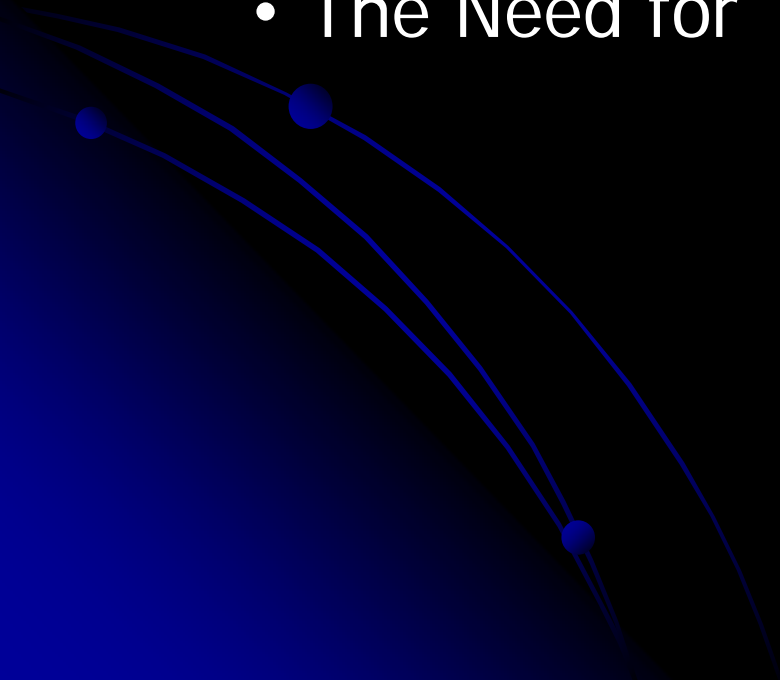
LSU Agricultural Center

England Air Park-January 18, 2005

Louisiana Cooperative
Extension Service



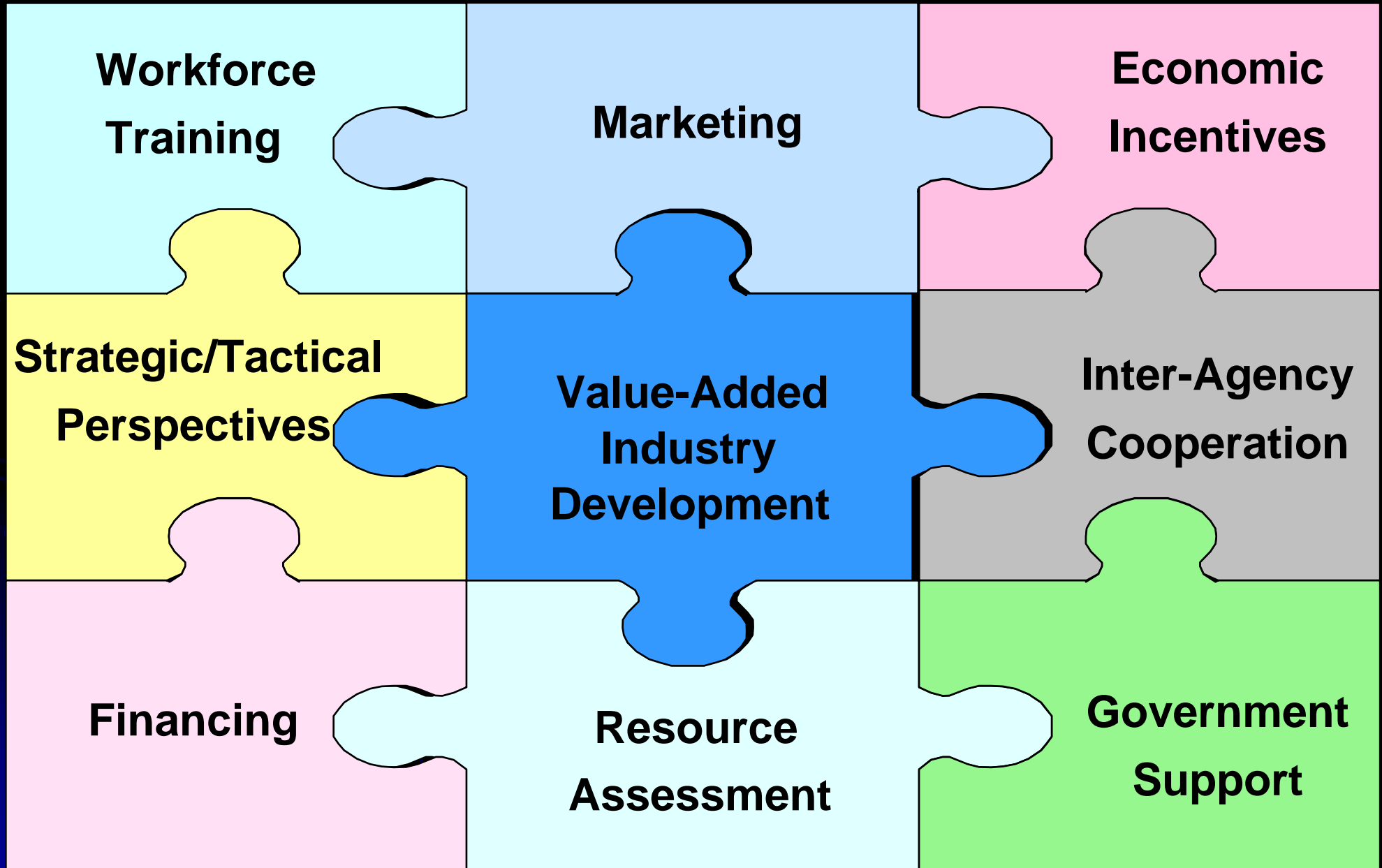
Outline

- Industry Development & Adding Value
 - Overview of Louisiana Forest Sector
 - Where is Louisiana Positioned?
 - Value-Added Training in Other States
 - The Need for Training in Louisiana-Past Research
- 

Industry Development & Adding Value



Value-Added Industry Development is Multi-Faceted



What is Value-Added?

- The increased value at each stage of a manufacturing assembly process
- Those activities or steps which add to or change a product or service as it goes through a process; these are the activities or steps that **the market** views as important and necessary
- Addition of net economic value
- Value can be added through manufacturing or marketing

Why Add Value?

- Value-added wood products typically require more employees than primary products -- that means more jobs.
- They usually require more than one mill to complete the process-- that means more companies fueling a wood products economy.
- The added processing typically means higher valued products -- that means more money stays in-state.
- For these reasons, value-added wood products are an important link between the timber harvested from the forest and the wood products consumers buy in stores.

Traditional Perspective: Primary vs. Secondary (Value-Added) Wood Products

- ***Primary products:***

- produced directly from raw timber input. Examples include chips, lumber, veneer, plywood and their by-products.

- ***Secondary (value-added) products:***

- use primary products as input for remanufacturing. Examples include various types of panels, engineered composites, or dimension stock.
- secondary products also includes final consumer products such as furniture, cabinets, flooring, etc.

Overview of Louisiana's Forest Sector

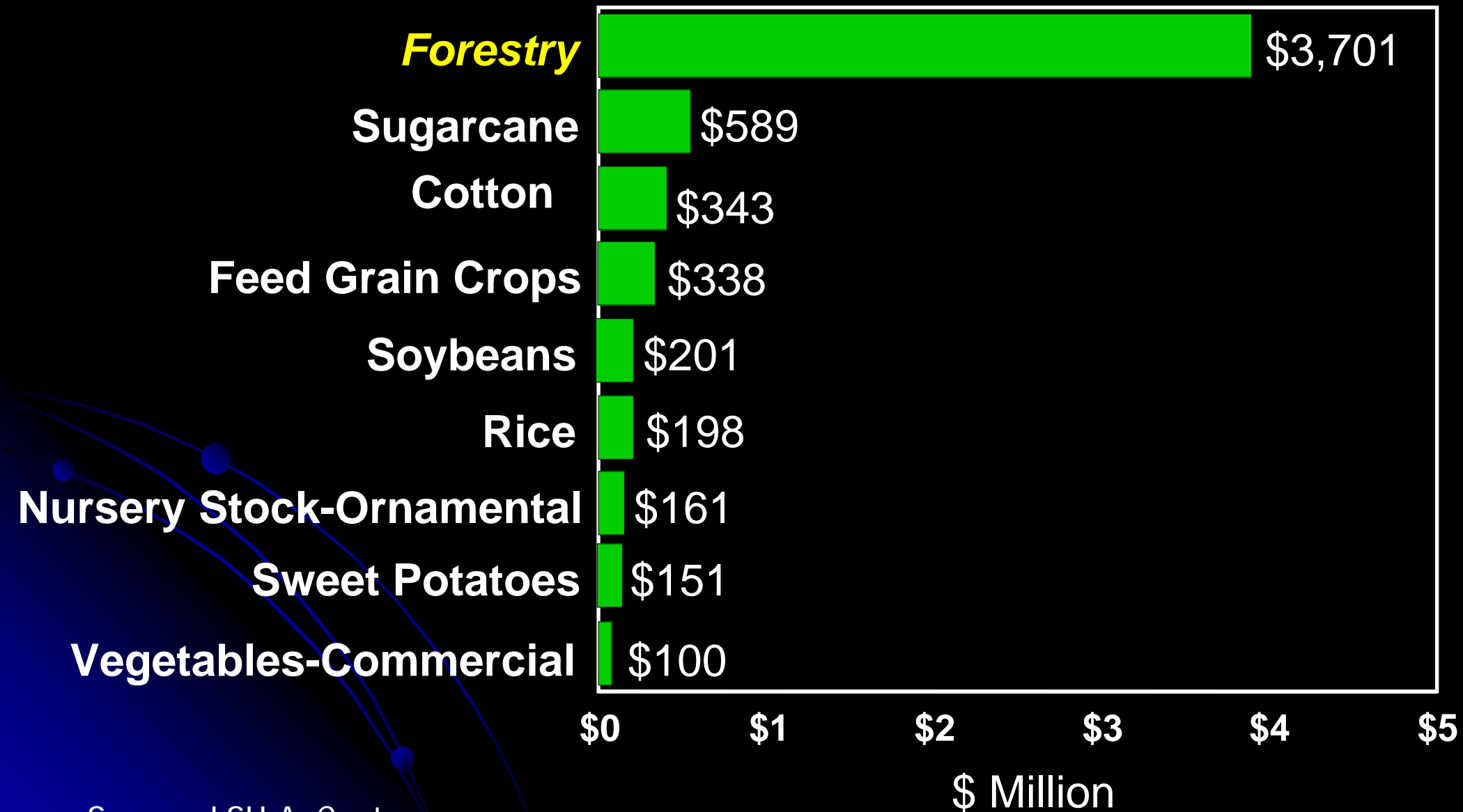


Key Louisiana Forest Sector Facts

- 13.8 million acres of forests (48% of Louisiana land area)
- ½ Pine: ½ Hardwoods
- 59 of 64 parishes contain forest land
- 148,000 forest landowners
- ~180 Primary manufacturers
- ~750 Secondary manufacturers
- Louisiana's 2nd largest employer
 - 19,703 manufacturing jobs
 - 8,000 harvesting/transportation

Louisiana

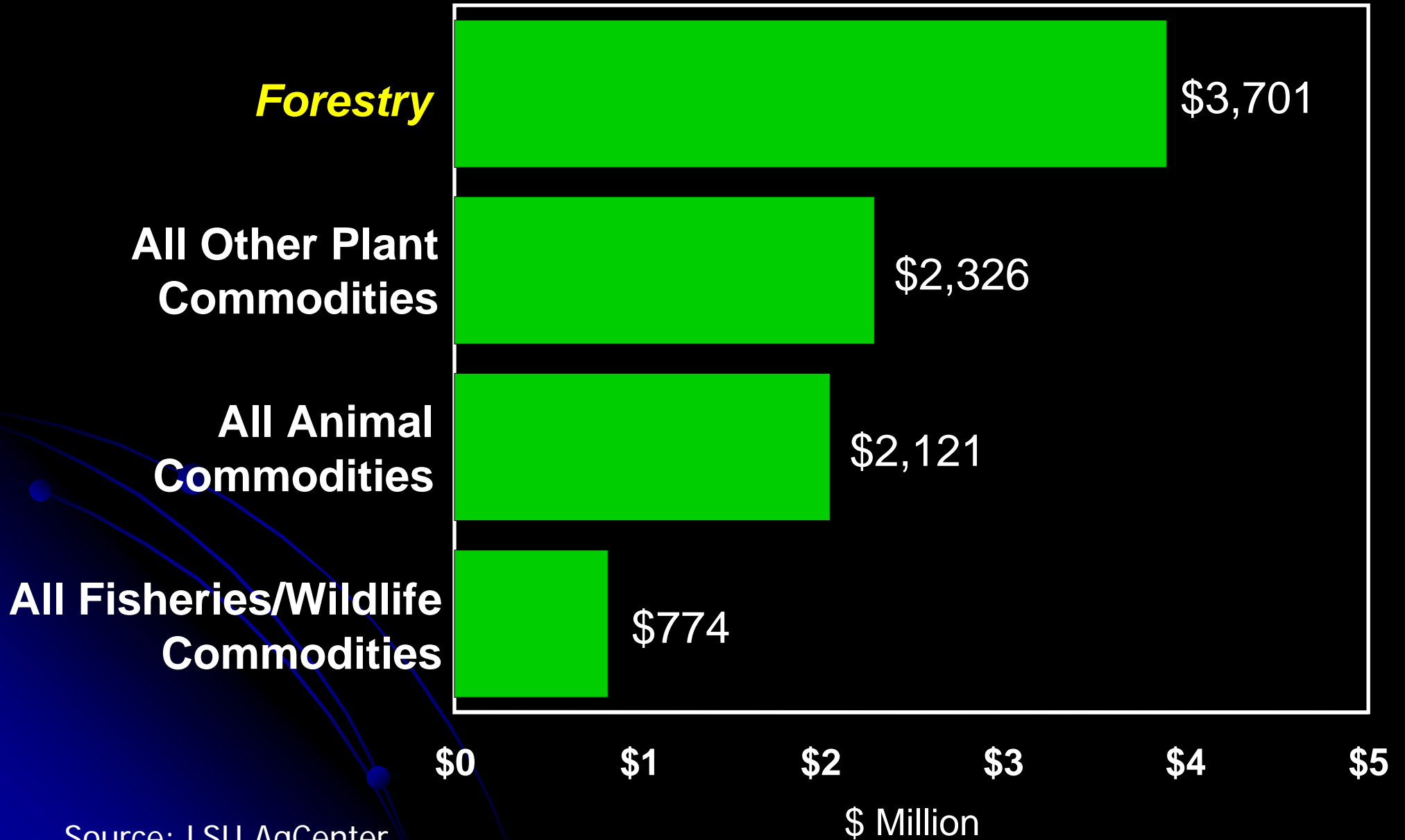
Agricultural Commodity Economic Contribution (2003)



Source: LSU AgCenter

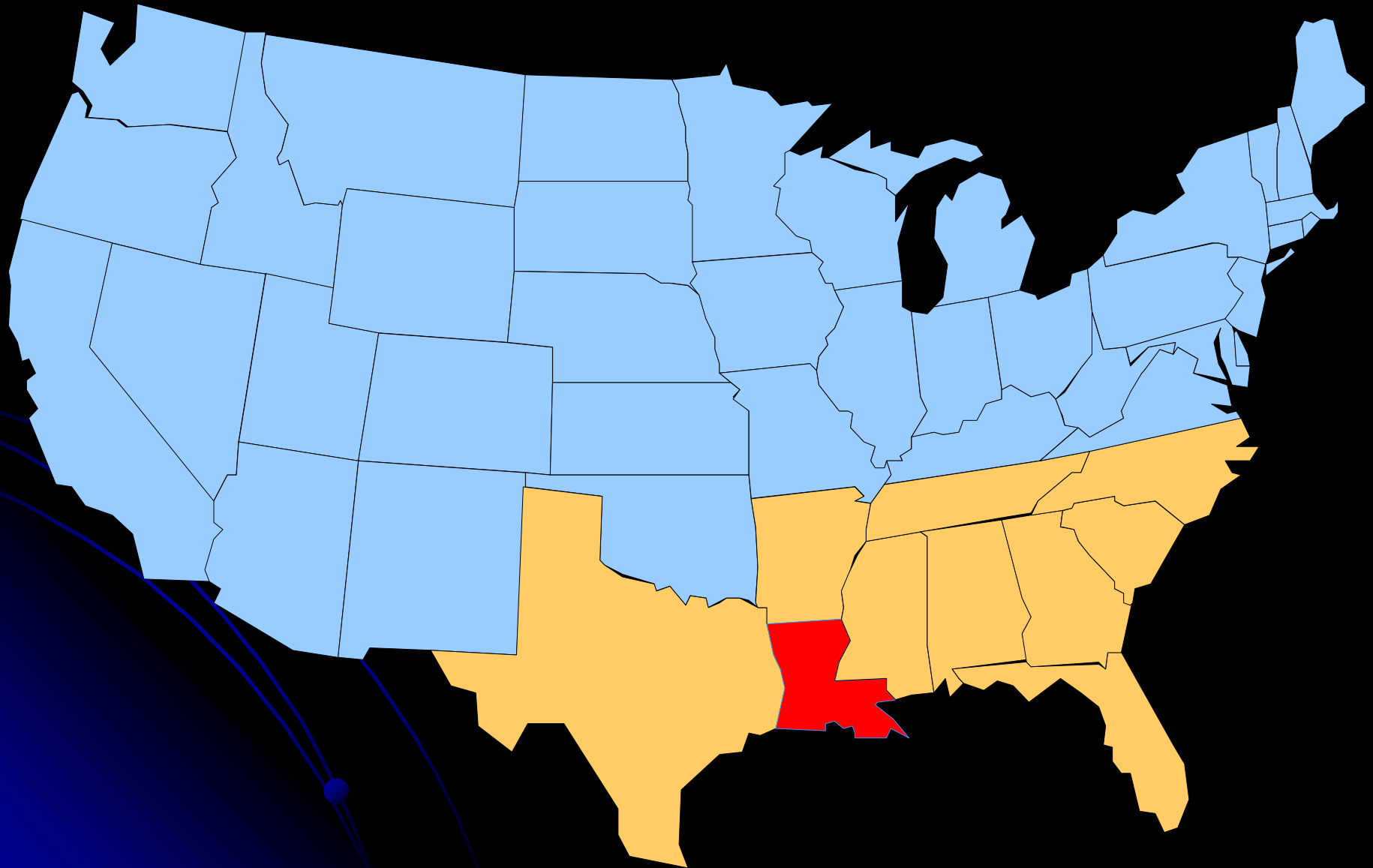
Louisiana

Agricultural Commodity Economic Contribution (2003)

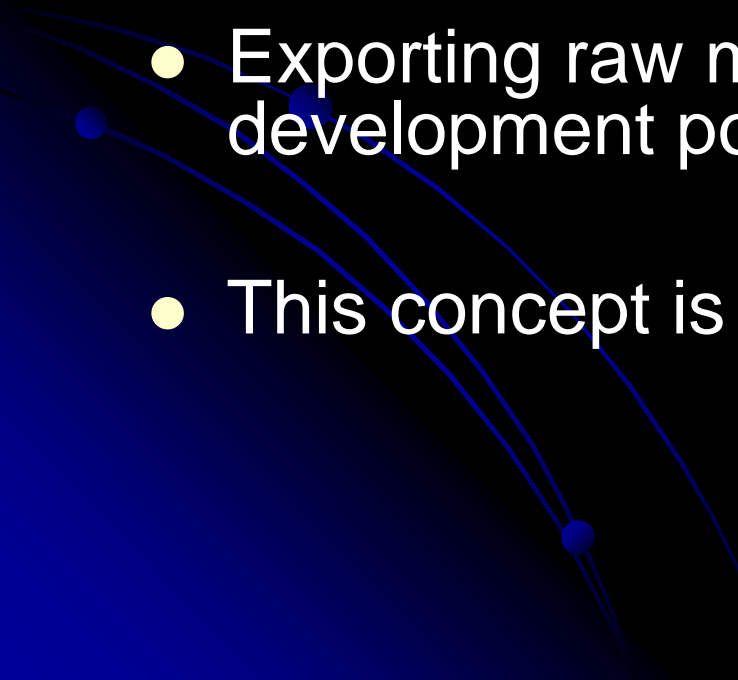


Source: LSU AgCenter

Where is Louisiana Positioned?



Is Louisiana Adding Value?

- Yes, but.....
 - Although timber is the number one agricultural crop in Louisiana, much of our harvested wood leaves the state in a raw form allowing value to be added elsewhere.
 - Exporting raw materials reduces economic development potential from value-added industries.
 - This concept is not unique to the forest sector.
- 

Lumber Value-Added \$/\$1 of Log Input

2001

Louisiana

\$0.56

N. Carolina

\$0.50

Tennessee

\$0.47

Texas

\$0.42

Mississippi

\$0.39

S. Carolina

\$0.38

Florida

\$0.36

Georgia

\$0.36

Alabama

\$0.31

Arkansas

\$0.28

\$0.00

\$0.10

\$0.20

\$0.30

\$0.40

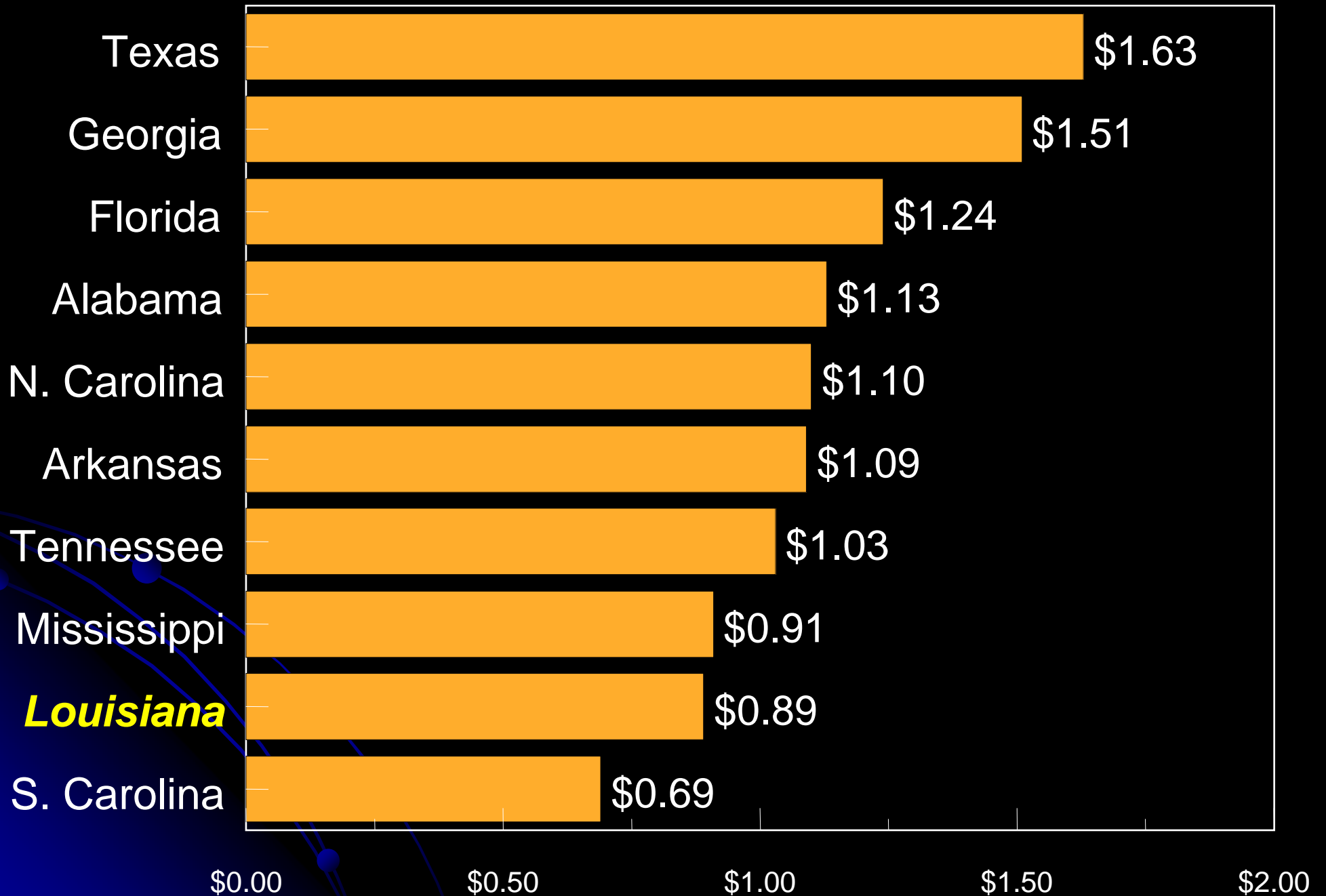
\$0.50

\$0.60

\$0.70

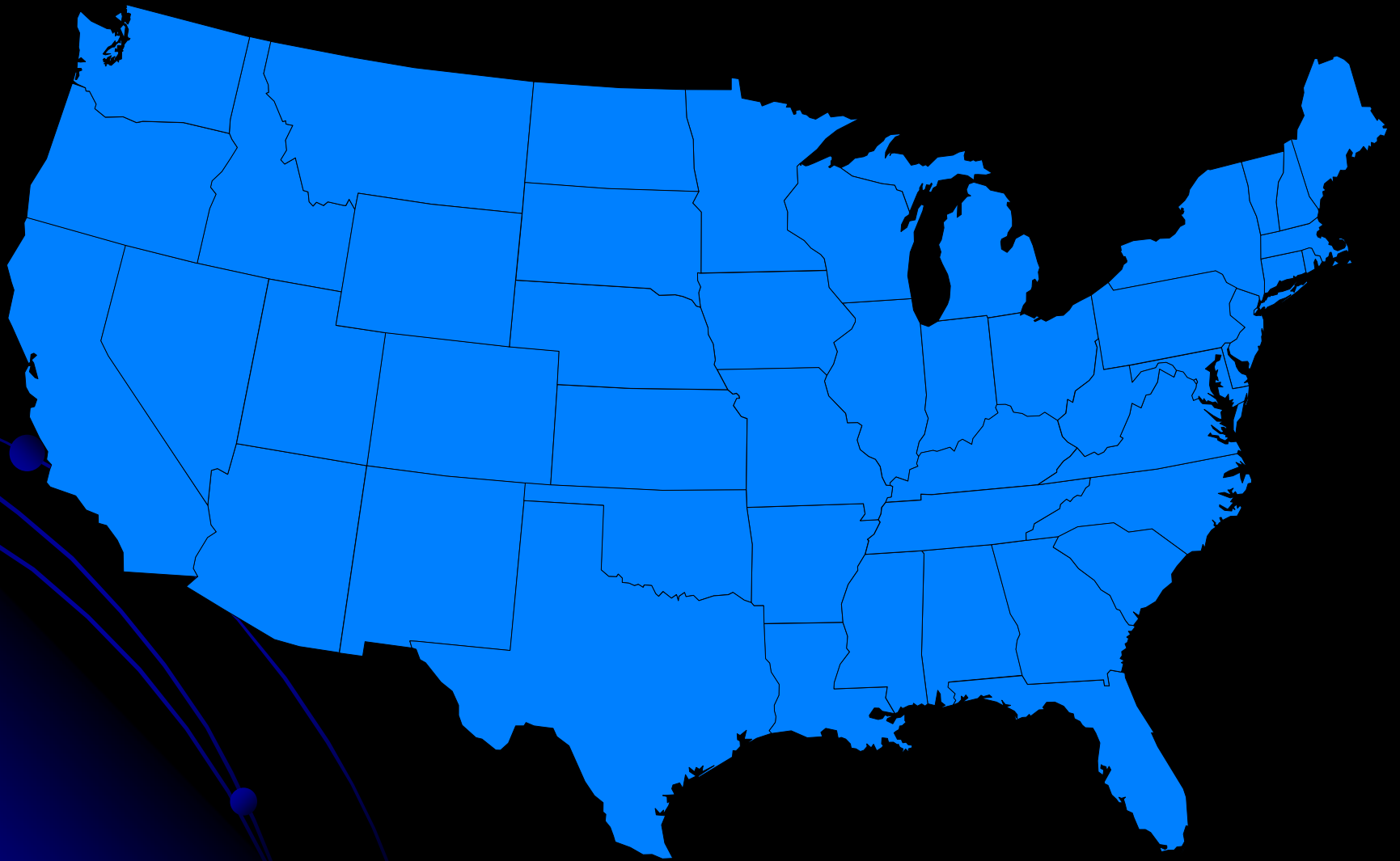
Furniture Value-Added \$/\$1 of Raw Materials

2001



Data source: US Department of Commerce, Census of Manufacturers

Value-Added Training in Other States



Training in Other States-National

An Industry
Education Partnership



Tools For
Schools

What's New

WoodTRACKS

About Us



Careers In
Wood

Events

Get Connected

Talk To Us



- Student graduates develop modern manufacturing and entrepreneurial skills to the entry-level requirements for local wood industries
- WoodLINKS devotes much of it's time and resources to teacher training and developing both regional and national industry contacts for them
- WoodLINKS credentials students to an industry developed modern curriculum to leads to national certification
- Education donations from industry-

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- WoodLINKS USA is currently trying to coordinate the development of a national distance education master's degree program that reflects the technical needs of teachers
- Summer camp at NC State University
- Over 40 schools locate in 12 states are currently delivering the program.
- Over 400 certified students expected to graduate this year

Training in Other States-Georgia

AWPL

Advanced Wood Products Laboratory

**Georgia
Tech**



**College of
Architecture**

- Approximately 50 short courses are scheduled in the AWPL facility in 2004
- Each course is two to five days long, with six to eight students
- Courses include CAD/CAM, machine side training, and operations and maintenance training
- Trainees from the secondary wood products industry
- All courses carry GT CEUs



Training in Other States-Arkansas

AWMA

Arkansas Wood Manufacturers'
Association

*The Arkansas Worker Training
Program*

- Cabinets
- Aircraft Interiors
- Custom Millwork
- Veneer Mills
- Furniture
- Molding
- Pallets
- Giftware
- Flooring

- Approximately 250 Companies In Arkansas
- 50 AWMA Members

Training in Other States-Arkansas

AWMA

Apprenticeship Components

- Well Trained New Employees



- Training of Existing Employees



Training in Other States-Arkansas

AWMA

Training Needs of the Wood Industry

Developed from Industry Surveys

Requested Topics:

Safety	Basic Math	Measuring
Machine Set-Up	Grading of Products	Terms of the Industry
Basic Tooling Concepts	Self Management	Etc., etc.

Training in Other States-Arkansas

AWMA

The Partners

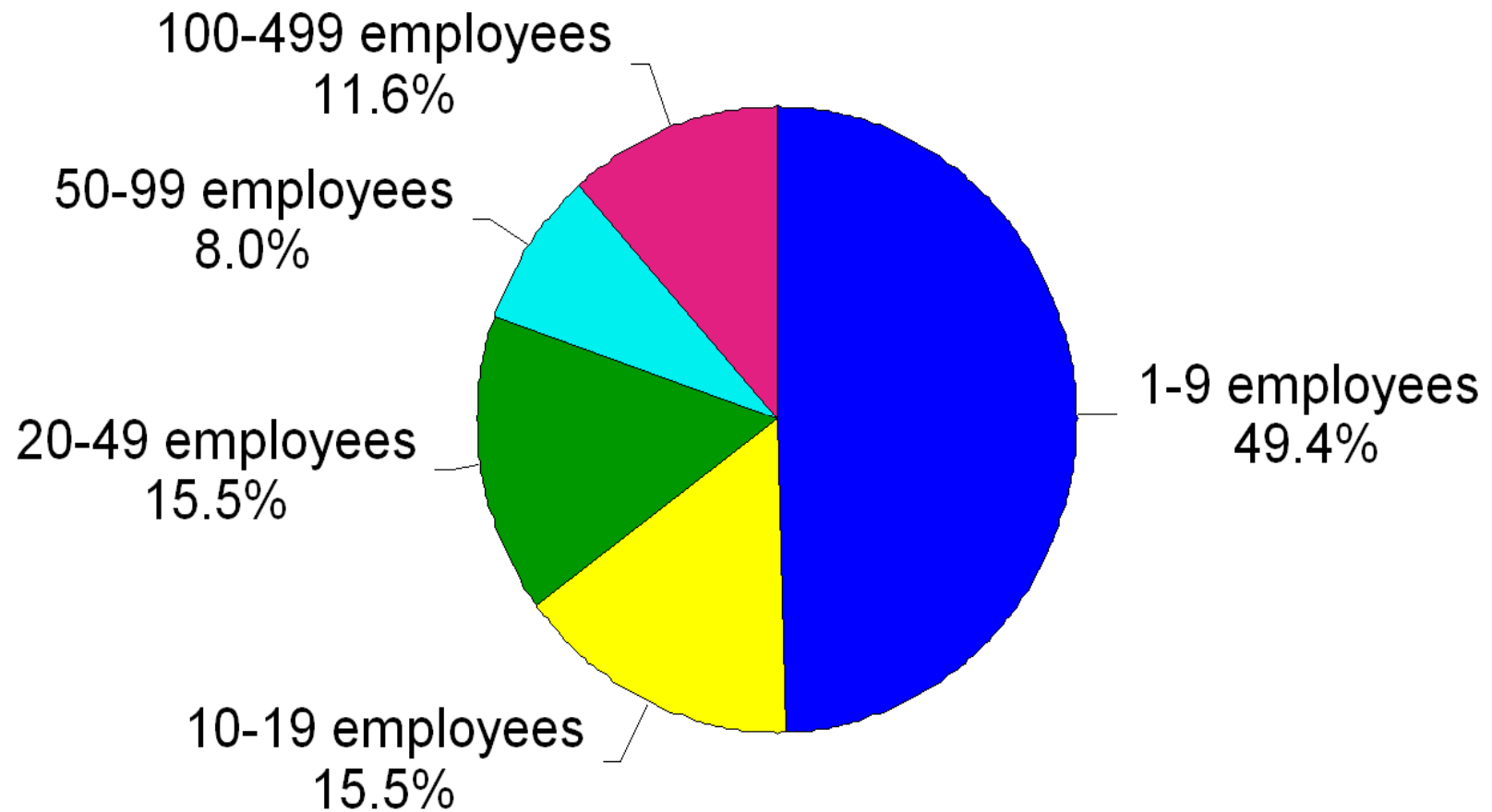
- Winrock International
 - U.S. Dept. of Labor- Bureau of Apprenticeship
 - Arkansas Dept. of Workforce Education
 - National Park Community College- Hot Springs
 - U. of A. Ft. Smith and Monticello
 - North Arkansas College- Harrison
 - S.E. Arkansas Educational Coop.
 - Harrison High School
 - Northside High School- Ft. Smith
 - AWMA Member Companies
 - The National Economic Development and Law Center (Oakland, CA)
 - University of Arkansas – Monticello (School of Arts and Humanities)
 - Monticello District of United Methodist Churches
 - Barnes Brothers Hardwood Flooring
 - Maxwell Flooring
 - Armstrong Flooring
 - Local County Officials and Agencies
- 
- A photograph of two hands shaking, symbolizing partnership or agreement, is overlaid on the bottom right of the slide. The hands are positioned as if in a firm handshake, with the fingers interlaced. The background of the photo is a soft, out-of-focus light blue and white.

The Need for Basic Skills Training in Louisiana - Past LFPDC Research - 1999

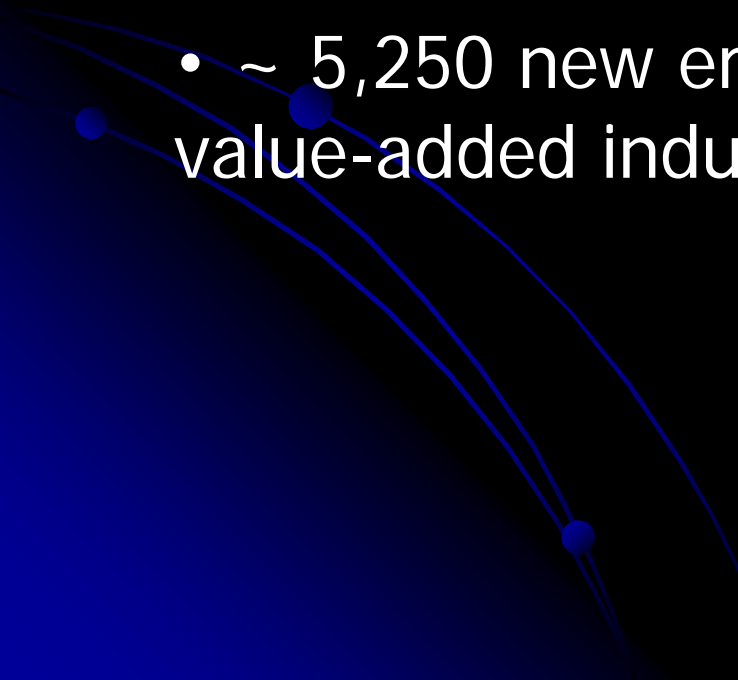
**** New Study Underway ****



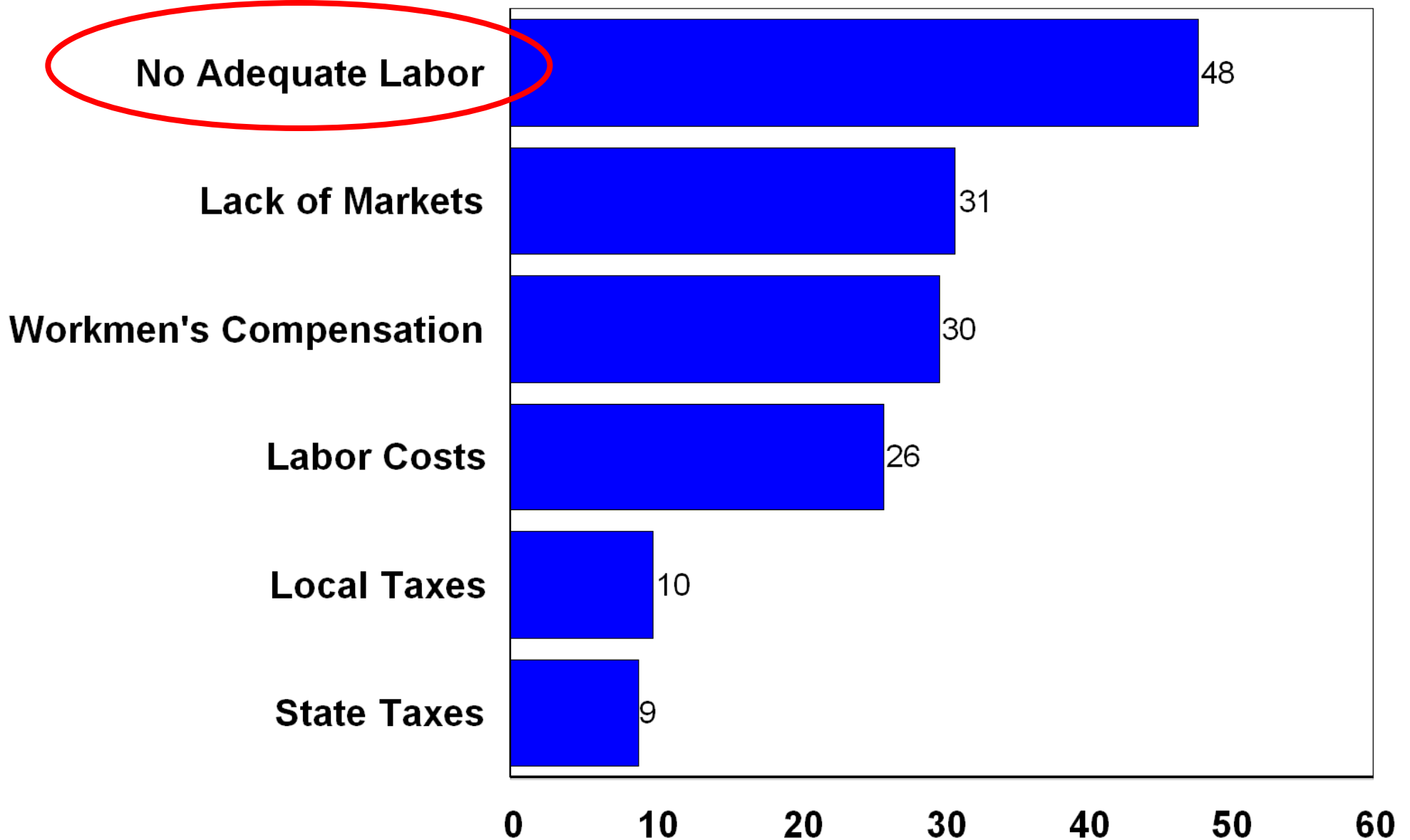
Full-Time Employees (n=174)



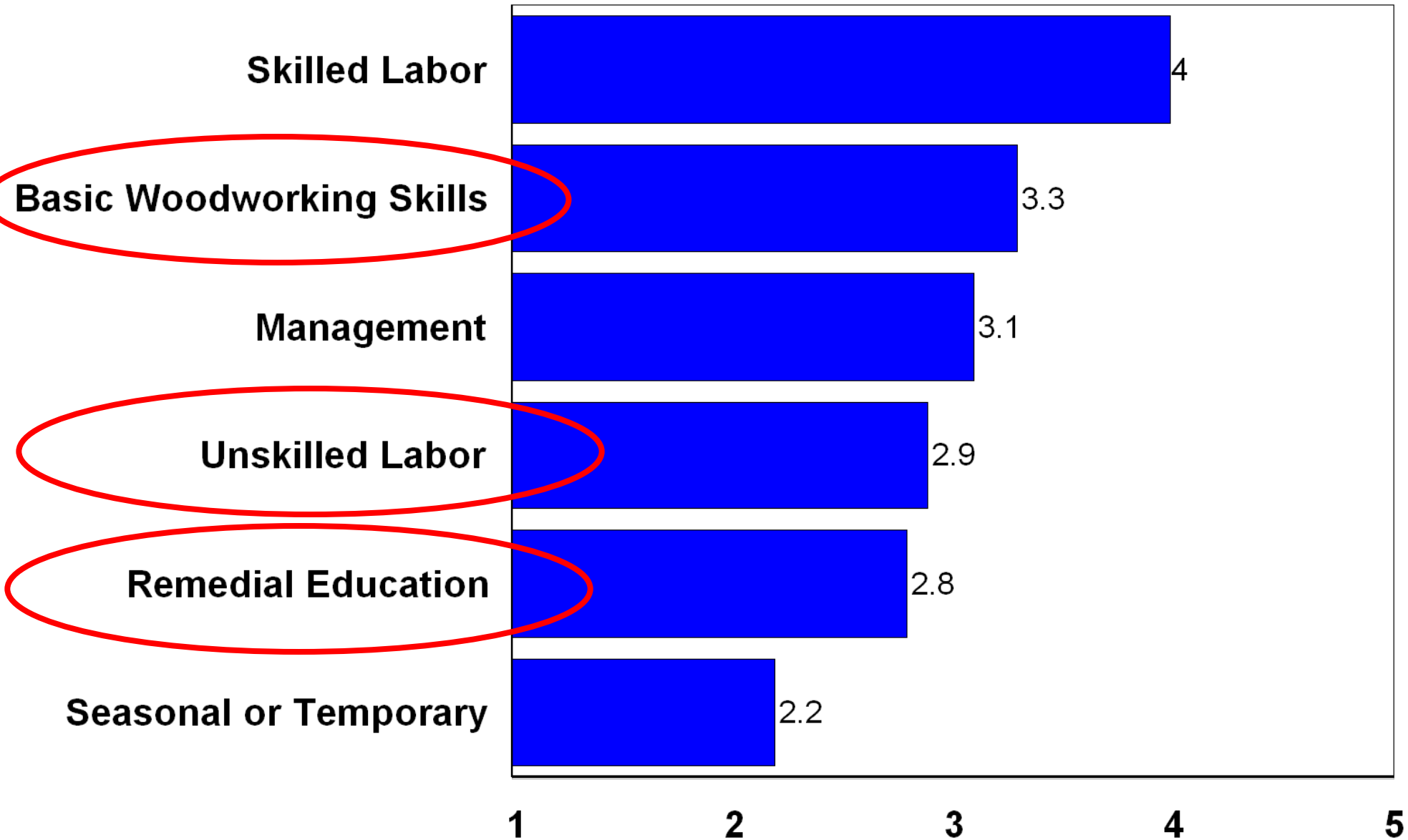
New Employee Plans

- 43% had plans to increase their workforce by 2002
 - An average of 7 new employees/company were planned to be added
 - ~ 400 new employees for respondents only
 - ~ 5,250 new employees if extrapolated for entire value-added industry
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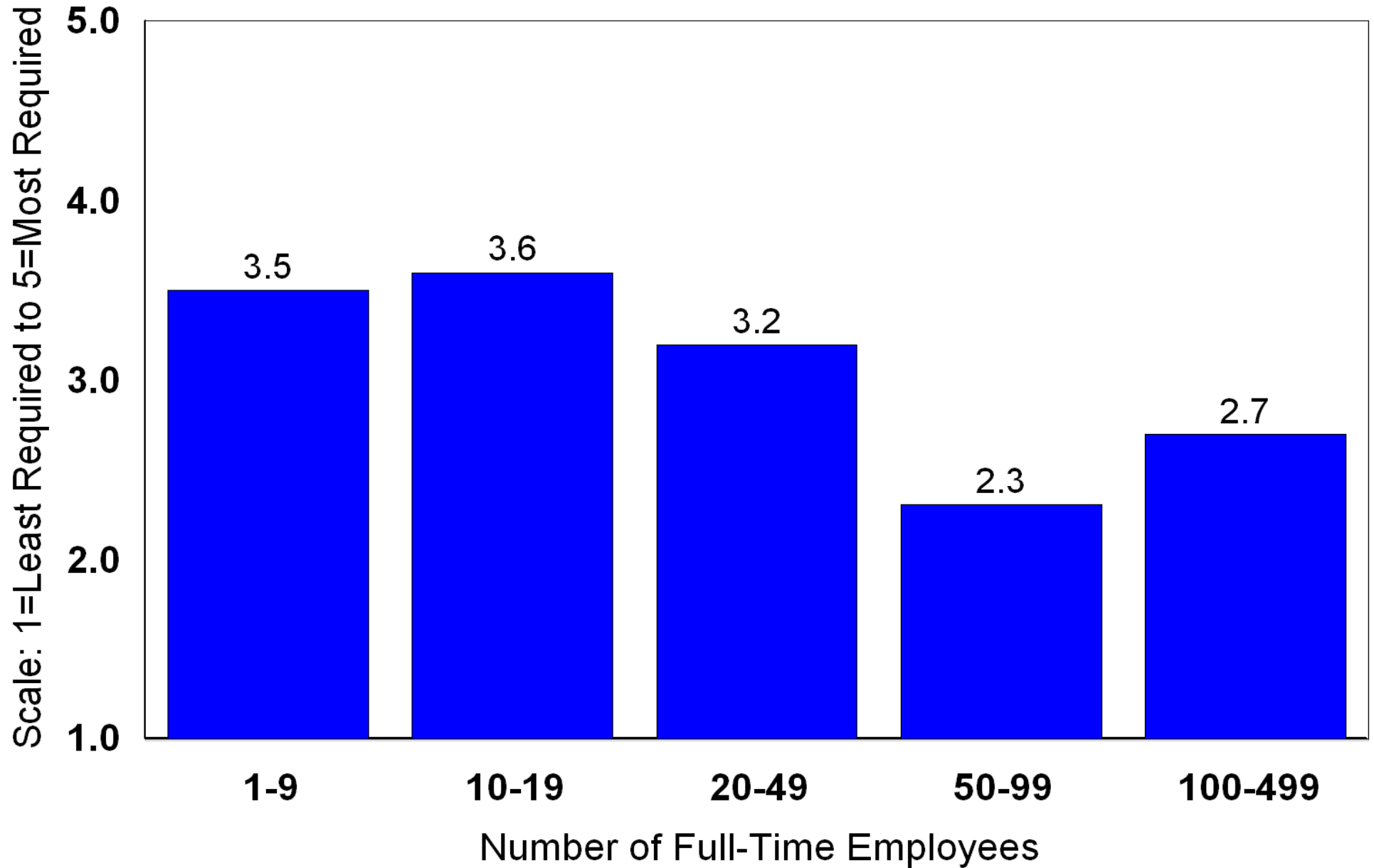
Reasons for Not Increasing the Workforce (multiple responses possible)



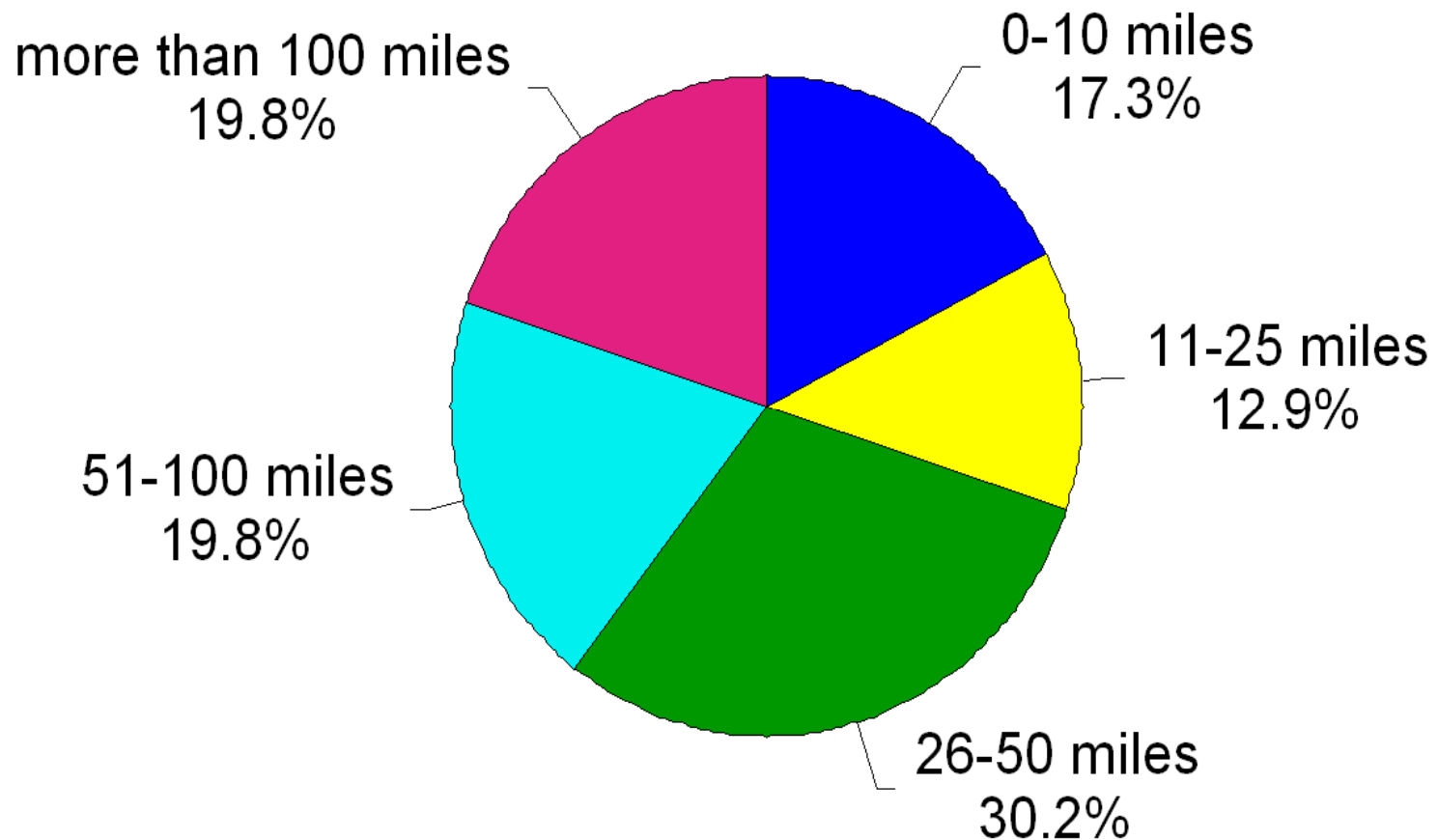
Types of Employee Training Required (Scale: 1=Least Required to 5= Most Required)



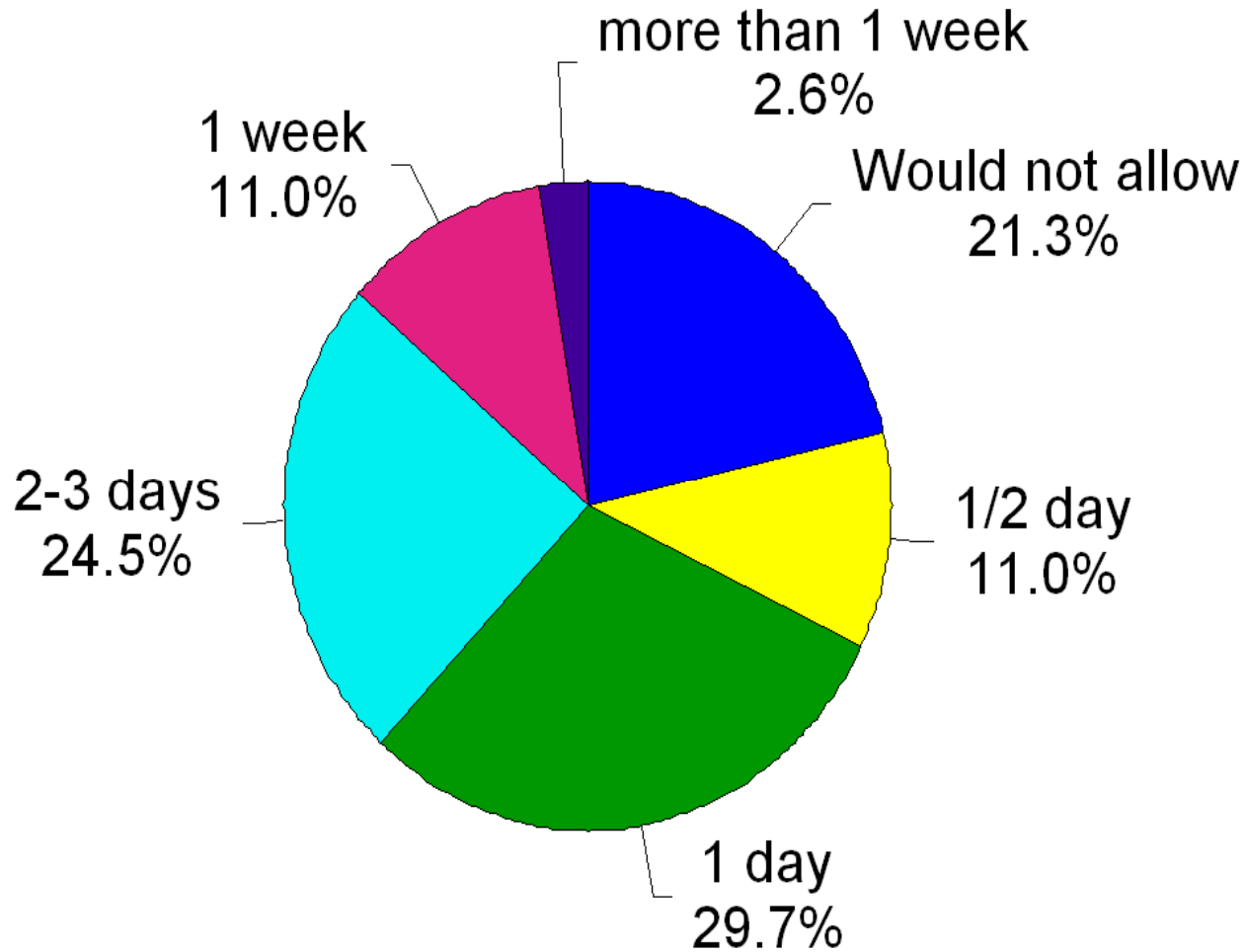
Type of Employee Training Required By Company Size *-basic woodworking skills-*



Distance that Employees Would be Allowed to Travel For Training

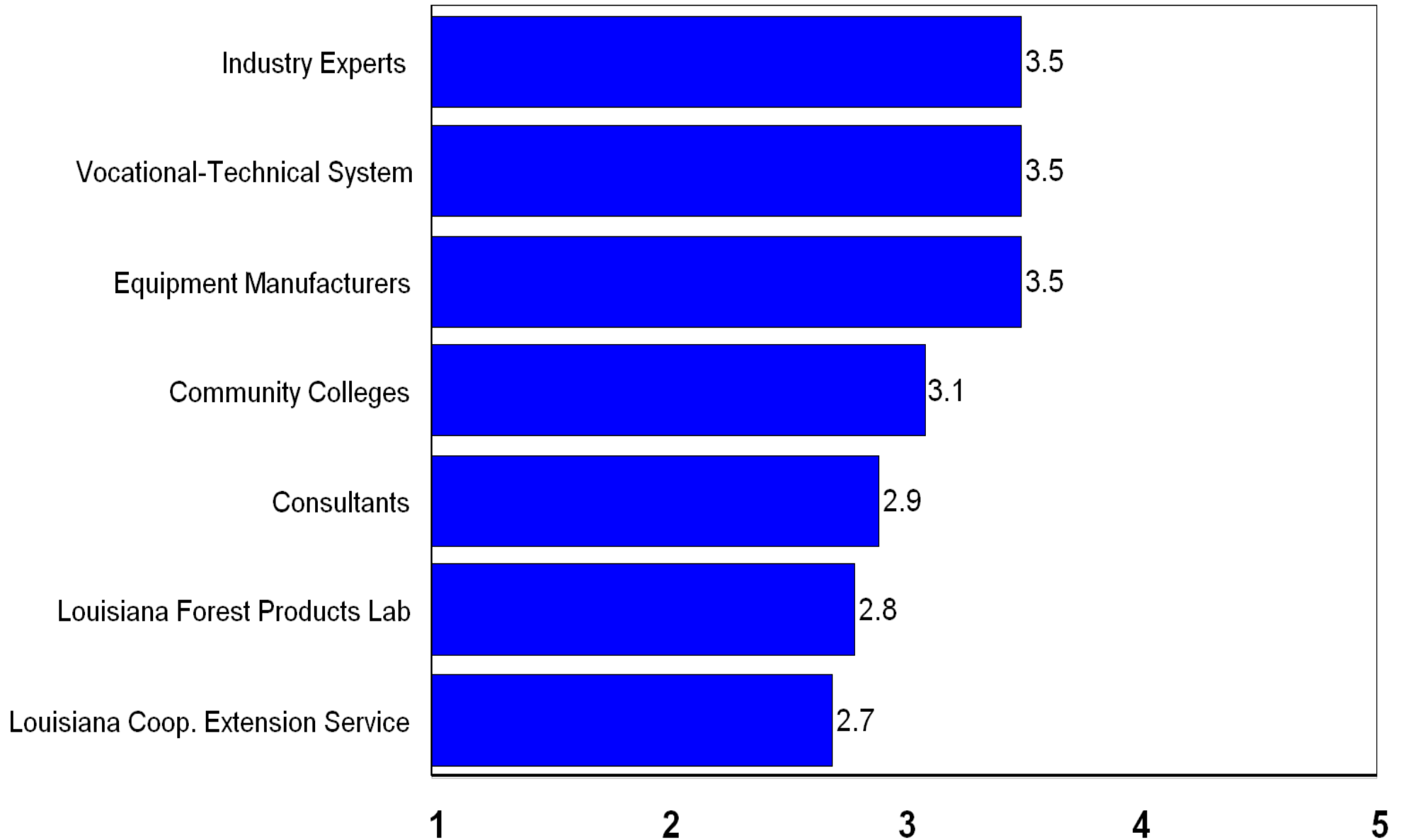


Time that Employees Would be Allowed to be Away For Training

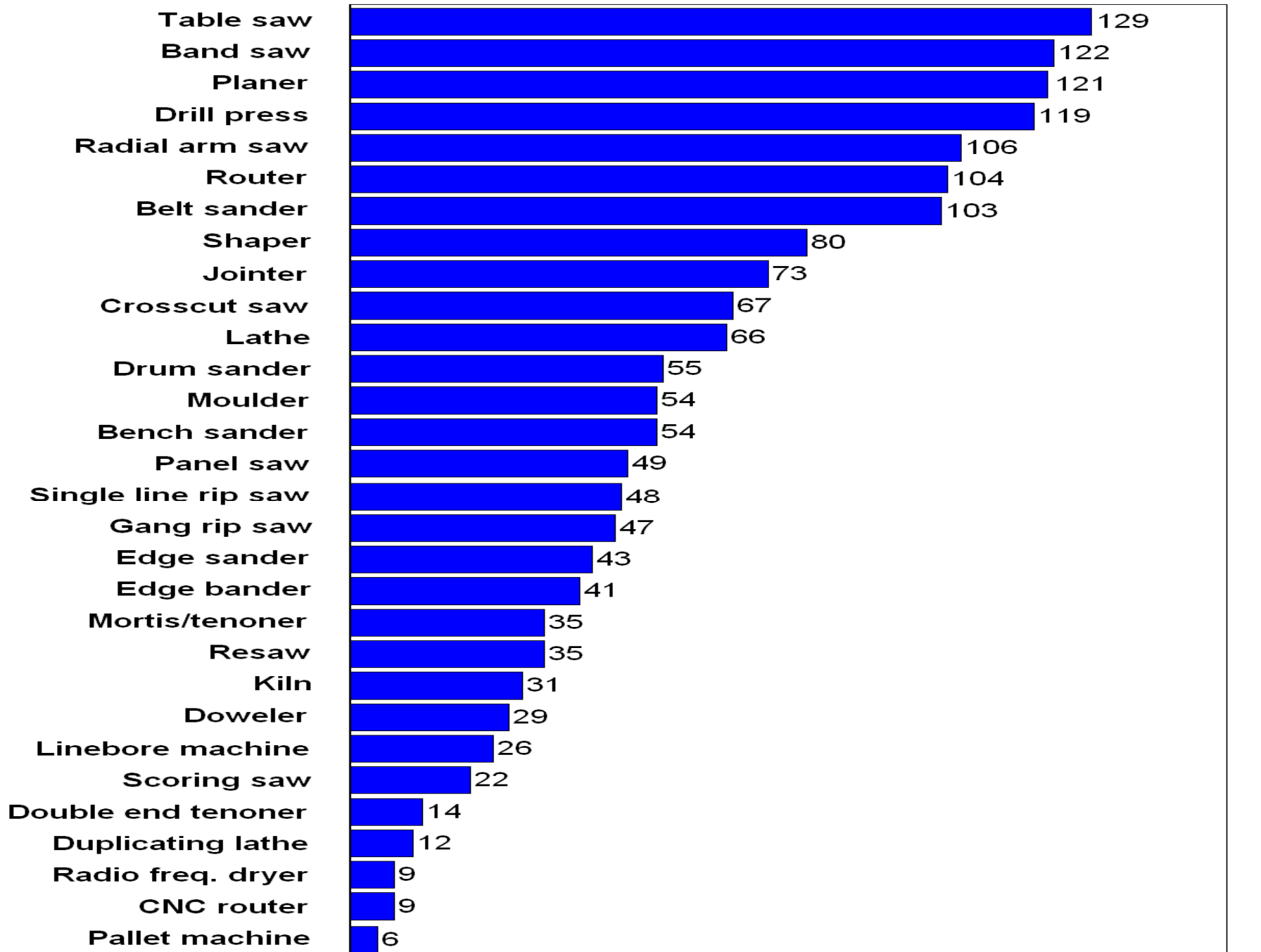


Entity Most Appropriate to Conduct Training

(Scale: 1=Least Appropriate to 5=Most Appropriate)



Equipment Currently Used by Respondents

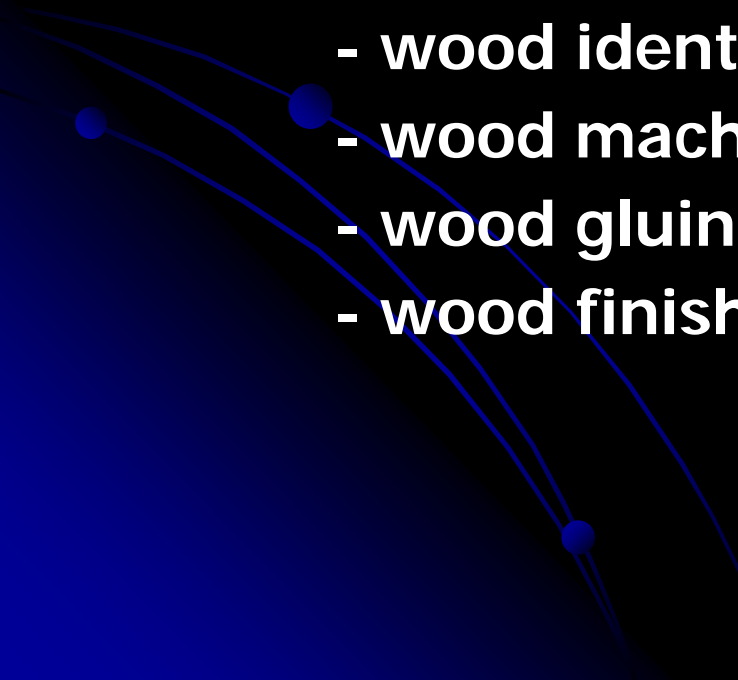


50

100

150

Employee Knowledge Importance

- basic wood properties
 - sanding/abrasives
 - finishing and coating
 - sawing/cutting technology
 - gluing/jointing
 - basic problem solving skills
 - wood identification
 - wood machining processes
 - wood gluing
 - wood finishing
- 

Summary

- Forestry is a leading contributor to Louisiana's economy
- We lead in adding value to logs in making lumber
- We lag in adding value in manufacturing furniture
- Other states are committed to value-added training
- Past research indicates:
 - 2/3 of companies have less than 20 employees
 - Nearly 1/2 of respondents would like to add to their workforce
 - Lack of labor is #1 reason for not growing companies
 - Need for skilled labor and basic woodworking training skills
- Facilities at England Air Park can potentially be utilized

Questions????



Louisiana Cooperative
Extension Service



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