2007 WMSP Economic Assessment

Conducted for
White Mountain Stewardship
Contract Multi-party
Monitoring Board

Conducted by
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Highlights

2007 WMSP Economic Assessment

- 15 firms
- A mix of Inputs/Outputs
- Most employees are full timers
- Cross-commuting is common
- WMSP encourages both basic and non-basic employment
- Local expenditures are down from 2006 levels but still impressive.
- The real economic value of the WMSP is expressed as the "forestry cluster"

Table 1. Woody Biomass Products Delivered by Future Forest, LLC (2007)

	Woody Biomass Inputs/Outputs				
Purchasing Firm	**Clean Chips**	**Dirty Chips**	**Roundwood**	**Saw Timber**	**Harvesting Woody Biomass**
APC Pallets (Phoenix)			X	X	
Arizona Log & Timberworks (Eagar)			X	X	
Forest Energy Corp. (Show Low)	X	X	X		
Future Forest (Pinetop)					X
Moulding Accents (Snowflake)				X	
Mountain Top Wood Products (Snowflake)			X	X	
Nutrioso Logging (Nutrioso)					X
Reidhead Bros. Lumber (Nutrioso)			X	X	
Reidhead Bros. Re-manufacturing plant (Springerville)	N/A	N/A	N/A	N/A	
Renergy: Renewable Energy from Biomass (Snowflake)		X			
Round Valley Wholesale Lumber (Eagar)			X	X	
Snowflake Lumber Moulding (Snowflake)				X	
TriStar Logging, Inc. (Snowflake)			X		X
WB Contracting (Eagar)					X
Winner's Circle Soils, Inc. (Taylor)	X	X	X		

2005	2006	2007
414 Full time employees	222 Full time employees	195 Full time employees
6 Part time employees	13 Part time employees	13 Part time employees
44 Seasonal employees	28 Seasonal employees	39 Seasonal employees
464 Total	263 Total	246 Total employees
FTE value = 449.90	FTE Value = 245.52	FTE Value = 228.04

Table 2. Cross Commuting. 2007 Estimated Number of FTE Employees by Place of Work and Place of Residence

Place of Residence → Place of Work ↓	Lakeside/ Pinetop	Show Low	Snowflake/ Taylor	Heber/ Overgaard	Springerville/ Eagar	Alpine/ Nutrioso	Whiteriver/ Fort Apache	Outside Region	Total (by place of work)
Lakeside/Pinetop		1.00	1.00		1.00				3.00
Show Low	17.00	14.00	1.00		1.00	1.00		3.00	37.00
Snowflake/Taylor	2.50	7.00	52.00	18.62	1.00		13.00	13.80	107.92
Heber/Overgaard									
Springerville/Eagar	1.00	1.66			47.22	1.00	0.83		51.71
Alpine/Nutrioso					10.63	0.69		2.09	13.41
Whiteriver/Fort Apache									
Outside Region (Phoenix)								15.00	15.00
Total (by place of residence)	20.50	23.66	54.00	18.62	60.85	2.69	13.83	33.89	228.04

Table 3. 2007 Estimated Basic and Non-basic FTE Employees Living and Working in the White Mountain Region and Employed by Firms with a Future Forest Connection.

Place of Work ↓	Basic FTE Employment	Non-basic FTE Employment	Total FTE Employment
Lakeside/Pinetop	0.03	2.97	3.00
Show Low	34.78	2.22	37.00
Snowflake/Taylor	84.27	23.65	107.92
Springerville/Eagar	14.00	37.71	51.71
Alpine/Nutrioso	7.81	5.60	13.41
Grand Total	140.89 (66.13%)	72.15 (33.87%)	213.04 (100%)

Source: December 2007 Survey by Author.

Table 4. 2007 Estimated Basic and Non-Basic FTE Employees Living and Working in White Mountain Region who are Directly Supported by Material Harvested by Future Forest LLC.

Place of Work ↓	Basic FTE Employment	Non-basic FTE Employment	Total FTE Employment
Lakeside/Pinetop	0.03	2.97	3.0
Show Low	24.34	1.56	25.90
Snowflake/Taylor	42.60	10.17	52.77
Springerville/Eagar	13.53	24.36	37.89
Alpine/Nutrioso	3.90	4.06	7.96
Grand Total	84.40	43.12	127.52

Source: December 2007 by author.

Table 5. 2007 Estimated Employment Impact of Forest Industries on the White Mountain Region with Future Forest, LLC and without Future Forest, LLC.

	Total	Portion Attributable to Future Forest, LLC	Portion Independent of Future Forest, LLC
Total Direct Employment	213.04	127.52	85.52
Total Indirect Employment Through Multiplier	83.27	49.88	33.39
Total Direct and Indirect	296.31 (100%)	177.40	118.91

Source: Estimates Provided in Tables 3 and 4. Multiplier estimated by author.

Table 6. Estimated 2007 Expenditures. Estimated Total and Local (White Mountain Region) Expenditures for Selected Goods.

Expenditures for	$ Expenditures 2007	Share of Total Spent in White Mountain Region
Raw Material	$7,627,010	$4,530,758
Hauling (outsourced)	$2,929,699	2,241,163
Electricity	$976,450	$976,450
Mill Equipment and Plant	$2,270,500	$549,650
Mill Parts	$486,200	$86,900
Transport Equipment	$331,035	$138,810
Petroleum Products	$2,895,689	$1,398,372
Vehicle Parts, Tires	$363,700	$313,000
Heavy Equipment	$1,134,100	$180,300
Heavy Equipment Parts	$1,011,400	$640.060
Total	$20,025,783	$11,055,463 (55.21%)

Source: December 2007 survey by author