CREATING A SUSTAINABLE FUTURE WITH FOREST PRODUCTS IN WISCONSIN.
WHY FOREST PRODUCT COMPANIES CHOOSE WISCONSIN

Companies looking to start, relocate or expand their operations in Wisconsin benefit from the state’s central location, reliable infrastructure, talented workforce and business-friendly policies—all of which create competitive advantages that help businesses capitalize upon regional, national and global market opportunities.

Wisconsin’s long history of innovation continues to fuel new solutions to challenges facing people, companies, nations and our very planet, with some of the most respected companies in the world drawing upon Wisconsin’s plentiful natural resources, its renowned research capabilities and the can-do spirit of its citizens to grow and succeed.

The state’s timber industry stretches back to a period before Wisconsin even achieved its statehood in 1848. As demand for raw building materials grew in western and Midwestern states, Wisconsin increasingly served as a source for wood. Not only did the state’s abundant forests fulfill the demand, its bountiful waterways provided convenient transportation of harvested logs.

Wisconsin’s logging industry grew in parallel with another major driver of the state’s economy—agriculture. As the lumber industry expanded, demand grew for feed crops for oxen and horses. Logging also provided a way for farmers to supplement their income: they would work all winter long cutting down trees, piling the logs along riverbanks to be floated downstream once the rivers swelled and accelerated with the spring thaw. Later, the logging industry was largely responsible for the development of the state’s railroads, as logging shifted from white pine to hardwoods, which were too heavy to float down the rivers. Many of Wisconsin’s cities and towns owe their location to those early logging camps.

As the timber industry began to recover after the Great Depression, it found itself in a changed world. As the public became concerned with conservation, the industry pivoted to incorporate sustainable practices. Today, Wisconsin’s forest products industry is committed to sustainable forestry practices and strong stewardship that help create and maintain the conditions necessary for the state’s forests to thrive. Wisconsin is home to some of the largest window and door companies in the U.S., and is well known and respected for its high-quality hardwood flooring—especially sports flooring made of hard maple.
Today, Wisconsin is home to 10 state forests that cover more than 526,000 acres. In addition, 29 county forests manage 2.4 million acres and provide raw material to the forest products industry. In total, the state has 17.07 million acres of forest land—48% of the state’s total land area. Wisconsin is the #1 papermaking state in the U.S., shipping $13.8 billion worth of paper annually. The forest products sector directly employs over 63,000 people.

Wisconsin’s forest products sector accounted for 6.6% of the state’s exports in 2018. These exports traveled to a total of 117 countries around the world.

Today, Wisconsin’s forest products companies are leaders in sustainability, many of them receiving awards for their environmental stewardship, including reforestation and other practices to ensure the health of the state’s forests for the sake of both the economy and the environment, as well as the enjoyment of Wisconsin residents.

**UNIQUE INDUSTRY ADVANTAGES**

**TALENT**

Wisconsin is well known for its industrious, Midwestern work ethic, and its educational system is universally admired. With a high school graduation rate consistently ranked among the top in the nation, Wisconsin has a steady pipeline of talent to keep our state at the forefront of innovation and economic growth. The University of Wisconsin System is regularly cited as a leader in terms of quality and reach, with established leadership in research and workforce development. Wisconsin’s public and private universities and colleges support the partnerships, companies and policy makers throughout the state that are working to develop new, innovative products to fulfill market needs. And as the first state in the nation to develop a technical college system, Wisconsin has more than 100 years’ experience training its workforce to fulfill ever-changing industry demands.

**INFRASTRUCTURE**

Wisconsin’s central location and robust infrastructure give companies operating in the state one-day access to major markets throughout the U.S. and beyond. Wisconsin’s roads, railways and ports provide seamless, convenient access to the world’s busiest multimodal transportation hub, located just 55 miles south of the state’s border.

**63K+**

**EMPLOYED IN THE FOREST PRODUCTS INDUSTRY**

Source: Wisconsin Department of Workforce Development, Annual 2018 QCEW

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1 Source: Forest Inventory and Analysis National Program
2 Source: Forest Inventory and Analysis National Program
3 “State Industry Economic Impact: Wisconsin,” American Forest & Paper Association 2018
4 Source: Wisconsin Department of Workforce Development, Annual 2018 QCEW
5 Source: U.S. Census Trade Data Set via WISERTrade 2016 Exports from Wisconsin to all countries

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**INFRASTRUCTURE IN WISCONSIN**

**HIGHWAY SYSTEMS**

State commerce and industry relies on nine major highways covering more than 11,700 miles (18,829 km) to move our goods to market. Our interstate system connects us to major industrial cities across the U.S.

**RAILROAD LINES**

Rail traffic throughout the state continues to grow and move more than $160 billion in freight each year, creating a seamless link in the nationwide intermodal system. Amtrak travels between Chicago and Milwaukee multiple times daily.

**COMMERCIAL AIRPORTS**

Eight commercial airport locations serving major industrial and metropolitan areas statewide. These airports are served by all major carriers, linking to every point in the nation within one business day. In addition, these larger airports are within driving distance:

- **CHICAGO:** O’Hare is American’s second largest hub, with 1,068 domestic flights daily to 153 U.S. cities and more than 121 direct flights daily to 50 international destinations.
- **MINNEAPOLIS:** 613 nonstop flights including 136 domestic and 27 international markets.

**COMMERCIAL PORTS**

Uniquely situated on the nation’s greatest waterways, Wisconsin ships approximately 30 million tons of product from commercial cargo ports and 6 limited cargo ports located along Lake Michigan, Lake Superior and the Mississippi River.

**FOREIGN TRADE ZONES**

Companies located in one of our three Foreign Trade Zones (FTZs) can import merchandise (by truck, rail, air or boat) without going through formal customs entry procedures or paying import duties. These companies have the option to pay tariffs after their product inventory is sold, improving cash flow and saving money. Other benefits include, but are not limited to: global market competitiveness, minimized bureaucratic regulations, and improved supply chain efficiencies.
GLOBAL LEADERSHIP

WORLDWIDE IMPACT

Examples of Wisconsin companies exporting wood products:
- Ashley Furniture
- McDonald Owen
- Appvion
- Midwest Paper Group
- Kretz Lumber Co.
- Kolbe & Kolbe
- Arcways
- Kimberly-Clark
- Wisconsin Veneer and Plywood

Select international wood products companies in Wisconsin:
- Cascades Inc. (Canada)
- Catalyst Paper (Canada)
- Stella Jones (Canada)
- Domtar (Canada)
- Corenso (Finland)
- Seda (Italy)
- Sofidel (Italy)
- Amorim Group (Portugal)
- Ahlstrom-Munksjo (Finland)

Wisconsin exported forest products worth $1.5 billion across all categories in 2018. These exports make up a significant portion of Wisconsin’s total exports: between 6 and 8% every year for the past two decades. The majority of these exports are paper and paperboard ($890 million, or 59%). Printed books, newspapers and manuscripts make up 18%, and lumber and wood products also 18%. Wood pulp and furniture make up the balance of the exports. Canada and China are the top destinations for Wisconsin wood products.

WISCONSIN’S MANUFACTURING TAX RATE

0.4%

WISCONSIN’S PAPERMAKING STRENGTH

Papermaking in Wisconsin got its start in 1848, three months before President Polk signed legislation to make Wisconsin a state, when paper made of rags was used to publish the Milwaukee Sentinel & Gazette.

In the late 19th century, papermaking shifted to use forest products as its source, with the introduction of the Keller groundwood process. Due to Wisconsin’s plentiful forests, the paper industry became a cornerstone of the state’s economy. It remains so today, and the industry has evolved along with the state and world economy.

The papermaking industry has gone through many changes over the past few decades, resulting in increased innovation and significant diversification of paper products. Today, the paper products industry includes a wide range of products with nearly limitless everyday uses. To name a few: paper products are used in industries including education, communications, hygiene, aerospace, food storage, packaging, and providing shelter and homes. New, innovative forest products are still being developed, while at the same time, continuous improvements are being made to existing products. Although white paper production is on a slight declining trend, containerboard and paperboard product development and production have increased significantly in Wisconsin in recent years.

Wisconsin is a leader in this industry, due to its natural resource wealth and the innovative companies in the state leading the way in sustainable production.

PROFILING WISCONSIN’S FOREST PRODUCT MILLS

The state’s forest product mills fall into two main categories. The state’s primary wood-using industry consists of firms that manufacture logs and pulpwood into wood products. Specific examples include sawmills, plywood mills, veneer plants, pulp mills and firewood processors, as well as companies that manufacture products such as composite panels, log cabins and treated wood. The state’s secondary wood-using industry consists of firms that manufacture dimensional and reconstituted wood into value-added wood products. Specific examples include furniture and cabinet manufacturers.
WISCONSIN'S FOREST PRODUCT EXPORTS

(Product categories are based on 2 and 4 digit HS code numbers.)

<table>
<thead>
<tr>
<th>RANK</th>
<th>DESCRIPTION</th>
<th>VALUE</th>
<th>PERCENT OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Paper and paperboard</td>
<td>$889,966,212</td>
<td>58.82%</td>
</tr>
<tr>
<td>2</td>
<td>Printed books, newspapers, manuscripts</td>
<td>$272,092,323</td>
<td>17.98%</td>
</tr>
<tr>
<td>3</td>
<td>Lumber and wood products</td>
<td>$270,468,480</td>
<td>17.88%</td>
</tr>
<tr>
<td>4</td>
<td>Wooden seats</td>
<td>$36,181,032</td>
<td>2.39%</td>
</tr>
<tr>
<td>5</td>
<td>Wood pulp</td>
<td>$18,655,179</td>
<td>1.23%</td>
</tr>
<tr>
<td>6</td>
<td>Wooden bedroom furniture</td>
<td>$12,710,555</td>
<td>0.84%</td>
</tr>
<tr>
<td>7</td>
<td>Misc. wood furniture</td>
<td>$10,825,890</td>
<td>0.72%</td>
</tr>
<tr>
<td>8</td>
<td>Wooden office furniture</td>
<td>$2,074,900</td>
<td>0.14%</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL ALL COMMODITIES</strong></td>
<td><strong>$1,512,974,571</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Source: U.S. Census Trade Data Set via WISERTrade 2017 Exports from Wisconsin to all countries

FOREST PRODUCTS INTERNATIONAL EXPORTS TOTALED $1.5 BILLION

Source: U.S. Census Trade Data Set via WISERTrade 2018 Exports from Wisconsin to all countries
CUTTING-EDGE ACADEMIC PROGRAMS AND
INDUSTRY-ACADEMIC COLLABORATIONS

The history of forestry education in Wisconsin is almost as old as the industry itself: forestry instruction has been offered at the University of Wisconsin since 1903. Wisconsin is one of only nine U.S. states that have two or more university campuses that are accredited by the Society of American Foresters. These campuses are the UNIVERSITY OF WISCONSIN-MADISON, whose Department of Forest and Wildlife Ecology received accreditation in 1971, and the UNIVERSITY OF WISCONSIN-STEVENS POINT, whose College of Natural Resources received accreditation in 1976. In these programs, students can focus on forestry, urban forestry, or natural resources and ecosystem management.

The WISCONSIN INSTITUTE FOR SUSTAINABLE TECHNOLOGY (WIST) at the University of Wisconsin-Stevens Point provides research, laboratory services and education for business and industry, bringing new ideas and innovation from the university to the private sector. Its research areas include biofuels, renewably sourced chemicals from biomass and value-added uses of agricultural residuals from processing. WIST developed an interdisciplinary biofuels minor now being offered at UW-Stevens Point, and operates a Fourdrinier pilot paper machine. An important asset for the university’s paper science and engineering program, the machine is used in WIST’s hands-on courses on papermaking. The institute also houses a Cellulose Pilot and Processing Lab, a collaborative research facility for development and commercialization of biorefinery technologies. In a public-private partnership with American Science and Technology, WIST built a two-ton-per-day biorefinery located in Wausau. Together with the equipment on the university campus, this allows researchers and students to test processes from bench to pre-commercial pilot scale.

The NATIONAL FOREST PRODUCTS LABORATORY is the nation’s only federally funded wood utilization research laboratory. It is partially or chiefly responsible for many of today’s wood-based technologies, including wood preservatives, glulam (glued laminated timber) beams, oriented strandboard, and fiber-based packaging. Established in Madison in 1910 with a focus on conservation, its goal is to use the nation’s timber resources efficiently and effectively while keeping forests healthy. Its early research in preservatives led to a 75% reduction in the demand for railroad ties. Through its research, the laboratory increased the average lumber yield per log from 25% to 60%. The laboratory designed and constructed the nation’s first pre-fabricated home, and its wood frame technology is used in over 90% of homes in the U.S. Its current areas of research emphasis include advanced composites, advanced structures, forest biorefinery, nanotechnology and woody biomass utilization.

The WOOD TECHNOLOGY CENTER OF EXCELLENCE at Northcentral Technical College is a one-of-a-kind, 27,000-square-foot facility dedicated to preparing students for careers in the forest products and woodworking industry. It gives students access to the latest design software and manufacturing equipment, allowing them to learn about product design and engineering, quality assurance, materials science, manufacturing and sales. With $1.5 million in state-of-the-art design and fabrication equipment, the center prepares students for work in a field that boasts over 1 million jobs nationwide. Northcentral Technical College offers the only wood science associate degree program in North America, and also offers a technical diploma in wood technology and a certificate program in CNC router operation.

#1 WISCONSIN RANKS #1 NATIONALLY IN EMPLOYMENT CONCENTRATION FOR PAPER MANUFACTURING.

Source: Annual Private Employment 2018, QCEW, BLS

The U.S. FOREST SERVICE has a regional office in Milwaukee.
The WISCONSIN PAPER COUNCIL (WPC) is the premier trade association that advocates for the paper, pulp and forestry industries before regulatory bodies, state and federal legislatures, and elected officials. The WPC also works to educate the general public and the media about the importance of paper, pulp and forestry production in Wisconsin and throughout the Midwest. Of the 63,000 people employed in Wisconsin’s forest products industry, more than 30,000\textsuperscript{11} work in the paper and pulp industries, and Wisconsin has led the nation in paper production for more than 50 years.

\textsuperscript{11} American Forest & Paper Association, 2019

The WISCONSIN COUNCIL ON FORESTRY, created by state statute in 2002 to advise the Governor, Legislature, Department of Natural Resources, the former Department of Commerce, and other state agencies on forestry issues, is dedicated to sustainable forestry in Wisconsin. The council’s priorities include timber supply, forest education, forest certification, deer impacts on Wisconsin forests, and Wisconsin’s Managed Forest Law Program.

The GREAT LAKES TIMBER PROFESSIONALS ASSOCIATION, based in Rhinelander, is an advocacy group whose objective is to ensure the forest management practices are observed to support and strengthen the forest products sector in Wisconsin.

The LAKE STATES LUMBER ASSOCIATION, based in Green Bay, is an advocacy group with more than 140 members in 18 states and one Canadian province. The organization conducts lobbying on issues that pertain to the industry, with an objective of assuring the sustainability of forest resources.
The Wisconsin SOCIETY OF AMERICAN FORESTERS aims to advance the science, technology, education and practice of forestry; to enhance the competency of its members; to establish professional excellence; and to use the knowledge, skills and conservation ethic of the profession to ensure the continued health and use of forest ecosystems and the present and future availability of forest resources to benefit society. The society provides information and networking opportunities to prepare its members for the challenges and the changes that face natural resource professionals. The national society, founded in 1900, is the accreditation authority for professional forestry education in the U.S. It is the largest professional society for foresters in the world, and it publishes a number of periodicals to help members stay current on their professional knowledge.

The WISCONSIN'S COUNTY FORESTS ASSOCIATION exists to provide leadership and counsel to county forestry committees in relation to forestry policies and programs, including but not limited to administration, development and protection of the forests of Wisconsin, and cooperation with state and federal agencies. The association also provides leadership in obtaining financial support for forestry programs and work, and also advises on proposed forestry legislation and other legislative matters affecting forestry and forest land use in Wisconsin, among other objectives.

The Wisconsin CONSULTING FORESTERS ASSOCIATION is committed to promoting forest resources.

MANAGING THE STATE’S FOREST RESOURCES RESPONSIBLY TO BENEFIT THE ECONOMY AND THE ENVIRONMENT

The Chequamegon-Nicolet National Forest (CNNF) covers 1.5 million acres in 11 counties across northern Wisconsin, serving as a scenic destination for hikers, campers, hunters, anglers and other outdoor enthusiasts—but also playing a vital role in the region’s economy. Every year, millions of cubic feet of sawlogs and pulpwood are responsibly harvested from the forest by local loggers for processing into furniture, flooring, millwork and a host of other wood products.

Wisconsin is leading the way in the use of two innovative programs—U.S. Forest Service stewardship agreements and the Good Neighbor Authority—both designed to support the tremendous resources of the CNNF.

In both programs, Wisconsin state agencies and local stakeholders have collaborated with CNNF leadership to identify and manage projects to yield timber for both business use and improved forest health. A typical stewardship agreement funds local forest improvement goals through timber production and sales. The Good Neighbor Authority allows the Forest Service to enter into cooperative agreements or contracts with U.S. states to perform watershed restoration and forest management services on Forest Service lands. In Wisconsin, the Good Neighbor Authority facilitates collaboration across jurisdictional boundaries and in mixed ownership settings. Both of these tools help ensure a robust supply of timber to the forest products and paper industries while supporting the health of the forest.

$13.8B
WISCONSIN SHIPS $13.8 BILLION WORTH OF PAPER ANNUALLY

Source: American Forest & Paper Association 2018
WISCONSIN'S FOREST PRODUCTS WORKFORCE

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>ANNUAL 2018 EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logging</td>
<td>717</td>
</tr>
<tr>
<td>Support activities for forestry</td>
<td>148</td>
</tr>
<tr>
<td>Sawmills and wood preservation</td>
<td>2,064</td>
</tr>
<tr>
<td>Veneer, plywood, and engineered wood product manufacturing</td>
<td>3,215</td>
</tr>
<tr>
<td>Other wood product manufacturing</td>
<td>12,662</td>
</tr>
<tr>
<td>Pulp, paper, and paperboard mills</td>
<td>9,921</td>
</tr>
<tr>
<td>Converted paper product manufacturing</td>
<td>19,646</td>
</tr>
<tr>
<td>Household and institutional furniture and kitchen cabinet manufacturing</td>
<td>10,445</td>
</tr>
<tr>
<td>Office furniture (including fixtures) manufacturing</td>
<td>3,321</td>
</tr>
<tr>
<td>Other furniture related product manufacturing</td>
<td>1,040</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics, Annual 2018 QCEW
Serving markets worldwide from northern Wisconsin’s Forest County, WD Flooring offers 750 products crafted from majestic hardwoods that are hand-selected from the company’s tens of thousands of acres. The company’s name is a tribute to WD Connor, who led the world in the practice of sustainable forestry in the early 1900s and is a member of the Forestry Hall of Fame.

WD Flooring prides itself on 100% utilization of raw materials with zero waste product. The company has received awards including National Wood Flooring Association Floor of the Year (2013 and 2014) and Community Service Vanguard Award; American Society of Interior Designers (multiple regional awards); Johnsen Schmaling Architects AIA Residential Design Award (2014); Greenbuilt Best Residential Use of Forest Stewardship Certified Flooring; and Solar Energy Corp. Award for Contribution to the Great Lakes Ecosystem.

The company is proud to have provided high-quality floors for a variety of settings, including the Detroit Institute of Arts; the National Gallery of Latvia; the University of Michigan Art Museum; the Frank Gehry–designed Weisman Art Museum; the Country Music Hall of Fame; the MacPhail Center for Music in Minneapolis; the Great Hall in Madison; Orchestra Hall (KPMB Architects); the Guthrie Theater (Jean Nouvel); American University in Abu Dhabi; Google; Famous Dave’s Restaurants; Sara Lee headquarters; InterContinental Hotels; W Hotels; the Gershwin Hotel; the Yellowstone Club development; Flor Stores; and residential installations in the homes of famous musicians, athletes and actors whose names cannot be divulged.

For nearly 150 years, Kimberly-Clark has transformed ideas into trusted household products. The company’s global brands include Kleenex, Huggies, Kotex, Depend, Viva, Scott and Cottonelle. Its products are available in more than 175 countries, and nearly one-quarter of the world’s population purchases its products every day.

The company was founded in 1872 in Neenah, where its North American consumer products division is still based. Over the years, the company pioneered many innovative products, including the first paper towels, facial tissue, sanitary napkins and industrial wipes. Its Kimberly-Clark Professional business works to create effective and efficient product solutions to help safeguard businesses by keeping people healthy while they work, protecting employees and their environments, and enabling businesses to operate more efficiently. It is also a leader in the industrial and scientific wiping segments, and also manufactures a wide range of safety products to protect employees, their environments and valuable work processes.

In 2018, Kimberly-Clark had more than $18.5 billion in global sales, with 41,000 employees working at manufacturing facilities globally. With strong global brands, Kimberly-Clark has either the #1 or #2 position in 80 countries. The company has received numerous awards for its sustainability practices, corporate social responsibility, community involvement, and its support for employee wellness and equality in the workplace, and contributed more than $4 million in cash and products to charitable causes in the Fox Valley region in 2018.
FOREST PRODUCTS

COMPANIES

GREEN BAY PACKAGING INC.
Green Bay

Founded in 1933, Green Bay Packaging is a family-owned, vertically integrated company consisting of corrugated container plants, a folding carton facility, recycled and virgin linerboard mills, pressure-sensitive label rollstock, specialty converting operations, timberlands and a sawmill facility. Based in Green Bay, the privately held company has manufacturing facilities in 14 states, including 12 facilities in Wisconsin. The company employs more than 4,000 employees in all, with more than 1,700 of those in Wisconsin, more than 1,200 of which are in Brown County. In 2018, the company announced the acquisition of Wisconsin Packaging Corp., a Fort Atkinson manufacturer of corrugated packaging and displays.

Additionally, in 2018 Green Bay Packaging announced plans to invest in approximately $600 million in the construction of a new 100% recycled paper mill—a project expected to create 200 job in north-eastern Wisconsin. The new state-of-the-art recycled paper mill will replace an existing recycled paper machine that was originally built in 1947 and has been rebuilt three times since. The new mill is expected to last more than 50 years. Building the new mill in Green Bay will enable the company to continue to grow in the state of Wisconsin and throughout the Midwest. The company is also making a significant investment in the Green Bay Shipping Container Division, a corrugate converting operation, which will expand its capabilities to better serve its customers with the highest quality corrugated packaging available.

WITMER FURNITURE
Abbotsford

Since 1981, Witmer Furniture has been building solid wood furniture in central Wisconsin. Through hard work and dedication, employees have built Witmer into a nationally recognized furniture manufacturer by relying on three basic principles: above everything else, always build a quality product that you can be proud of; make your product affordable; and build your product in the USA. A three-time nominee for Wisconsin Manufacturer of the Year, Witmer has maintained these principles for more than 35 years. Operating in a state-of-the-art manufacturing facility in Abbotsford, it sells its products at more than 100 retail furniture outlets throughout the U.S. In addition, Witmer builds product for commercial projects, libraries and assisted living centers, among other settings.

As the leading supplier of solid wood furniture in the U.S., Witmer uses only the finest materials to construct furniture the way it should be built. By using the highest grades of lumber and the best hardware available, it guarantees the quality of each piece of furniture. The company does not waver from its philosophy of building quality furniture made from high-end materials. Using automated saw systems, CNC technology and a bench-built philosophy, Witmer goes to great lengths to ensure the continued quality of its products.
The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. WEDC provides resources, operational support and financial assistance to companies, partners and communities in Wisconsin. WEDC achieves its mission through initiatives driven by five strategic pillars: business development; community and economic opportunity; strategic economic competitiveness; state brand management and promotion; and operational and fiscal excellence. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network.

Visit InWisconsin.com to learn more.