

LOGGING INDUSTRY



AND THE IMPACT OF THE 2022 FUEL COST INFLATION IN ARKANSAS

**\$204.6
MILLION**

contributed to Arkansas' GDP by the logging sector in 2020¹



Fuel, particularly diesel, contributes the most to the costs of logging operations, such as timber harvesting and hauling



Diesel price in the Gulf Coast increased 56% by June 2022. This is 112% higher than the average of the last five years³



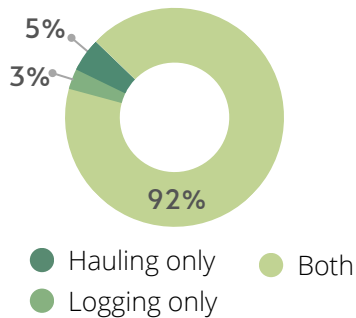
The operating costs of the logging industry increase by 19.2%, reaching \$16 per ton in the first quarter of 2022⁴



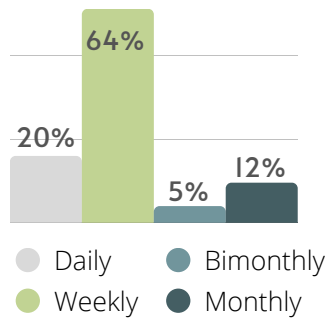
Arkansas is the third most dependent on forest products in the U.S. as percentage of state GDP²

RESULTS FROM THE 2022 SURVEY OF ARKANSAS LOGGING AND HAULING FIRMS

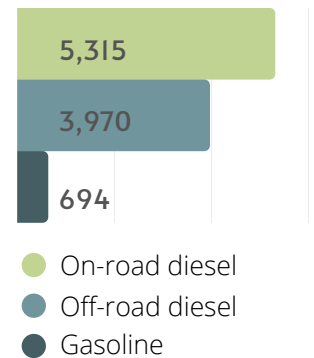
Most firms conducted both logging and hauling operations



The majority of the firms purchased fuel on a weekly basis

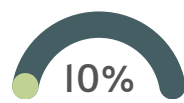
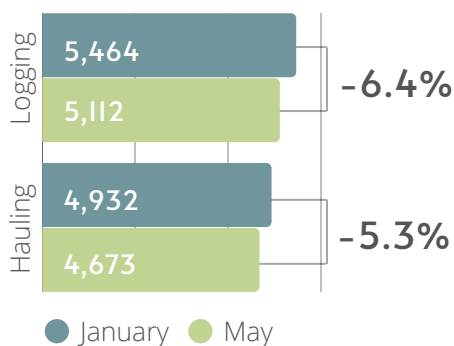


On-road diesel is purchased in higher quantities (gal/month)

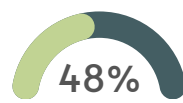


THE IMPACT OF THE FUEL PRICE INCREASE

Average production (tons/month) decreased between January and May 2022



Passed on the cost increase to forest landowners



Received additional compensation in terms of cut/loads

Average compensation
+ \$1.3/ton



Paid higher prices for spare parts and equipment

Average price increase
+ 21%



50% of the firms **harvested less** timber in May compared to Jan 2022



50% of the firms believed that access to interstate highways can decrease hauling costs



47% of the firms **hailed less** timber in May compared to Jan 2022



The average haul distance was **51.1** miles



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