

**Estimated Economic Impact from Timber Damaged by Hurricane Ike**  
**Texas Forest Service**  
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Hurricane Ike damaged an estimated 289 million cubic feet of timber. The damaged timber volume could have been used to make various forest products such as lumber, plywood, OSB, and paper and paperboard products worth a total of \$1.9 billion. Such level of forest industry economic activity could have supported a total economic activity in East Texas worth \$6.7 billion. These indirect economic activities include upstream and downstream industries of the forest products industry, and the service sectors that support the timber-based communities. These estimates are based on historical average economic activities supported by the harvested timber volumes in East Texas.

A portion of the damaged timber will be salvaged. However, because of the large volume of timber damaged, the rapid decay of dead wood, and economic constraints, salvage operations are limited. The actual salvage ratio determines the ultimate negative economic impact of Hurricane Ike. For example, if only 25 percent of the damaged timber is salvaged, the potential negative direct and total economic impact would be 75 percent of the total economic activities had the timber not been damaged. This would mean a direct negative economic impact of \$1.4 billion to the forest sector in East Texas, and a total negative economic impact of \$5.0 billion due.

This estimation includes only the negative impact from damaged timber (trees that are blown down, snapped off, leaning more than 45 degrees, or otherwise are or will be dead and thus need to be salvaged), not the 323 million cubic feet of timber that was affected (trees that are leaning less than 45 degrees, have lost only part of their crown, have only a loss of foliage, or otherwise are not subject to imminent death). Nor does it include the reduced future timber growth in the damaged area if reforestation does not occur. Also, large amount of salvaged timber could cause substantial decline of timber prices, which is another form of loss to landowners that is not included in this estimate.