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**David P. Harris, Director of Forest Management**  
**USDA Forest Service**  
**P.O. Box 21628**  
**Juneau, AK 99802**

**Dear Mr. Harris:**

**I am pleased to present the Tongass Sawmill Capacity and Production Report for CY 2009. Thank you for giving me the opportunity to work on this project.**

**If you have any questions or have need of my services in the future, please don't hesitate to contact me.**

**Very sincerely,**

*Daniel J. Parrent*

**Daniel J. Parrent**  
**Program Director**

**Cc: S. Alexander**  
**S. Cordell**

**Enc.**

# **Tongass Sawmill Capacity and Production Report for CY 2009**

**Final Report  
August 11, 2010**

Prepared for:

USDA Forest Service, Alaska Region  
Forest Management  
Juneau, AK

Data Collection and Report Preparation by:

Daniel J. Parrent  
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Sitka, AK

## Mill Capacity and Utilization Survey, CY 2009

During the spring and summer of 2010 mill production capacity and utilization information was gathered directly from major producers in southeast Alaska. Mills to be surveyed, data to be collected, and survey forms developed by the Forest Service Alaska Region and the PNW Research Station for use in previous survey years were used for the CY 2009 survey. Sampling was conducted on-site, in the field in most cases with the remainder conducted via telephone interviews.

Originally, the twenty largest and/or most active sawmills were included in the survey, which began in 2001 (for CY 2000). In 2007 the 20 original mills became 22 with the partial subdivision and sale of one mill. Of those 22 mills, eleven were active in 2009, three were idle, and eight had been decommissioned or were no longer in production (i.e., “uninstalled”).

Active Mills (11): Icy Straits Lumber & Milling, Viking Lumber Co., D&L Woodworks, Thorne Bay Wood Products, Thuja Plicata Lumber, Porter Lumber, St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.), The Mill, Inc., Falls Creek Forest Products (formerly Southeast Alaska Wood Products), Western Gold Cedar Products, and Thorne Bay Enterprises\* (WGCP and TBE were part of the partial subdivision and sale of Northern Star Cedar)

(\* NOTE: While considered “installed” and active in CY 2009, Thorne Bay Enterprises had a mill fire in November 2009 that resulted in a total loss of all processing capacity. At the time of this survey, the owner had not yet decided whether to rebuild.)

Idle Mills (3): Northern Star Cedar, Pacific Log and Lumber, and Silver Bay, Inc.

Uninstalled Mills (8): Ketchikan Renaissance Group (formerly Gateway Forest Products (vener)), Gateway Forest Products (lumber mill), Herring Bay Lumber, Alaska Fibre, Annette Island Sawmill (formerly KPC Hemlock mill), Metlakatla Forest Products, Kasaan Mountain Logging and Lumber, and Chilkoot Lumber Co.

For the purposes of this report, “total installed capacity” includes the capacity of the eleven 11 active mills and the three idle mills. That capacity stands at **249,350** MBF.

Total installed capacity in CY 2009 decreased by 33,000 MBF board feet from CY 2008, which reflects a reduction of the installed capacities at Icy Straits Lumber and Milling (1,500 MBF) and Falls Creek Forest Products (1,500 MBF), and the decommissioning of the Ketchikan Renaissance Group veneer mill (30,000 MBF).

Mill production in CY 2009 amounted to approximately **13,422** MBF, down approximately 10,244 MBF from CY 2008. Three mills reported higher production in CY 2009 totaling approximately 93.5MBF and nine mills reported decreased production totaling approximately 10,337.4 MBF. Percent mill utilization, based on total installed capacity amounted to **5.38%**, the lowest level since the survey began.

Mill employment in CY 2009 amounted to **57.5** FTE including owner-operators, another precipitous decrease of 36.5 positions or nearly 39 percent from CY 2008, which witnessed huge losses (94 FTE) from CY07.

A comparison of survey results from CY 2000 through CY 2009 is presented in Table 1.

**Table 1. Comparison of survey results, CY 2000 through CY 2009**

	<b>CY 2000</b>	<b>CY 2002</b>	<b>CY 2003</b>	<b>CY 2004</b>	<b>CY 2005</b>	<b>CY 2006</b>	<b>CY 2007</b>	<b>CY 2008</b>	<b>CY 2009</b>
<b>Installed Mill Capacity (MBF)</b>	501,850	453,850	369,850	370,350	359,850	354,350	292,350	282,350	249,350
<b>Estimated Mill Production (MBF)</b>	87,117.0	39,701.6	32,005.2	31,027.4	34,694.8	32,140.7	31,717.33	23,665.75	13,421.86
<b>Volume NOT included in mill production (MBF)</b>									
Mfg. products <sup>a</sup>	46,079.0	9,163.5	762.7	509.0	0	7,619.70	4,015.4	3,513.04	1,250.0
Log exports	27,522.0	4,940.0	17,030.3	3,087.9	3,540.54	2,645.84	Not collected	Not collected	Not collected
Total	73,601.0	14,103.5	17,793.0	3,596.9	3,540.54	10,265.54	NA	NA	NA
<b>Percent Mill Utilization</b>	17.36	8.75	8.65	8.38	9.64	9.07	10.85	8.38	5.38
<b>Employees</b>	321	159.5	155	148	136	122.75	158 <sup>b</sup>	94	57.5
<sup>a</sup> Primarily chips and bark manufactured from utility logs <sup>b</sup> Included 35 positions reported at the re-opened Ketchikan Renaissance Group veneer mill, which only operated for a few months									

Data collected consisted of the following items:

1. Mill Name
2. Owner's Name(s)
3. Mill Location
4. Mill Description
5. Estimated Mill Capacity
6. Estimated Mill Production
7. Mill Employment
8. Mill Size Classification
9. Percent Over-run or Under-run
10. Source(s) of Logs Processed by the Mill
11. Products Produced
12. Market Information

Table 2. Basic Mill Information, CY 2009

Mill Name	Location	Description	Status	# Employees
Icy Straits Lumber & Milling Co.	Hoonah	Conventional carriage, circle saw headrig, edger, bull edger, trim saw, log debarker & merchandiser, resaw, dry kiln, planer, moulder	Active	5
Viking Lumber Co.	Craig	Conventional carriage, band saw headrig, linebar and gang resaws, edgers, trim saw, log debarker and merchandiser, end-dogging circle saw scragg	Active	32
D&L Woodworks	Hoonah	Portable band saw mill and portable circle saw mill	Active	2
Gateway Forest Products (lumber)	Ketchikan	Twin band mill with end-dogging carriage, resaws, edgers, trim saw, log debarker and merchandiser	Uninstalled	0
Ketchikan Renaissance Group, formerly Gateway Forest Products	Ketchikan	Rotary veneer mill, log debarker and merchandiser	Uninstalled	0
Northern Star Cedar	Thorne Bay	Shake/shingle mills, portable sawmills, trim saws, etc.	Idle (partially subdivided)	0
Western Gold Cedar Products (part of Northern Star Cedar break-up)	Thorne Bay	Shake & shingle mills	Active	2
Thorne Bay Enterprises (part of Northern Star Cedar break-up)	Thorne Bay	Portable circle saw mill, trim saw, log and lumber decks	Active	1
J. Peterson (formerly part of Northern Star Cedar break-up)	Thorne Bay	Portable circle saw mill	Ownership reverted to Northern Star Cedar	0
Herring Bay Lumber	Ketchikan	Conventional carriage, circle saw headrig, resaw edger, trim saw	Uninstalled	0
Alaska Fibre	Petersburg	Portable circle saw mill, horizontal band resaw, edger	Primary processing equipment sold in 2005 and 2008	0
Falls Creek Forest Products (formerly Southeast Alaska Wood Products)	Petersburg	Portable circle saw mill, trim saw, log and lumber decks, dry kiln, moulder	Active	1.50
Thorne Bay Wood Products	Thorne Bay	Portable circle saw mill, trim saw, log and lumber decks, dry kiln, planer/moulder	Active	5
Annette Island Sawmill (KPC Hemlock mill)	Metlakatla	Conventional carriage, single cut band saw headrig, linebar resaw, gang edger/resaw, edger, trim saw, log debarker and merchandiser	Uninstalled	0
Metlakatla Forest Products	Metlakatla	Conventional carriage, circle saw headrig with top saw, horizontal resaw, edger, log debarker and merchandiser	Uninstalled	0
Thuja Plicata Lumber	Thorne Bay	Portable circle saws mill, carriage mill and shake/shingle mill	Active	3
Porter Lumber Co.	Thorne Bay	Conventional carriage, circle saw headrig, gang resaw edger, trim saw, portable circle saw mill, dry kiln	Active	2
Silver Bay, Inc.	Wrangell	Conventional carriages, band saw headrigs, linebar resaw edgers, trim saw, planer mill, log debarker and merchandiser;	Idle	0

Mill Name	Location	Description	Status	# Employees
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	Craig	Portable circle saw mill, dry kiln, planer/moulder	Active	3
Kasaan Mountain Lumber & Log	Kasaan	Conventional carriage, circle saw headrig, circle saw linebar resaw, edger, debarker	Uninstalled	0
The Mill	Petersburg	(4) portable circle saw mills	Active	1
Pacific Log & Lumber	Ketchikan	(2) conventional carriage mills with circle saw headrigs, horizontal band resaw, edger, trim saw, log debarker and merchandiser, dry kiln, planing mill. 60-ft bandmill added in 2006.	Idle	0
Chilkoot Lumber Co.	Haines	Conventional carriage, 8-ft band headrig, 6-ft and 7-ft band resaws, debarker, chipper, edger, etc.	Uninstalled	0

Table 3. Estimated Mill Capacity and Estimated Mill Production, CY 2009

Mill Name	Estimated Mill Capacity (log scale, MBF) <sup>1</sup>	Estimated Mill Production (log scale, MBF) <sup>2</sup>	Percent Utilization of Installed Capacity
Icy Straits Lumber & Milling Co.	21,000	430	2.05
Viking Lumber Co.	80,000	11,698.36	14.62
D&L Woodworks	1,750	103.5	5.91
Gateway Forest Products (lumber)	Uninstalled		
Ketchikan Renaissance Group veneer mill	Uninstalled		
Northern Star Cedar (NSC)	5,000	Idle	0
Western Gold Cedar Products	6,500	200	3.08
Thorne Bay Enterprises	3,000	20	0.67
J. Peterson	Ownership reverted to Northern Star Cedar		
Herring Bay Lumber	Uninstalled		
Alaska Fibre	Uninstalled		
Falls Creek Forest Products (formerly Southeast Alaska Wood Products)	3,000	60	2.00
Thorne Bay Wood Products	5,000	500	10.00
Annette Island Sawmill (KPC)	Uninstalled		
Metlakatla Forest Products	Uninstalled		
Thuja Plicata Lumber	7,500	200	2.67
Porter Lumber Co.	2,500	40	1.60
Silver Bay, Inc.	65,000	Idle	0
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	1,000	150	15.00
Kasaan Mountain Lumber & Log	Uninstalled		
The Mill	8,500	20	0.24
Pacific Log & Lumber	39,600	Idle	0
Chilkoot Lumber Co.	Uninstalled		
<b>Total</b>	<b>249,350</b>	<b>13,421.86</b>	<b>5.38</b>

Footnotes for Table 3:

**1 Estimated Mill Capacity:** an estimate of the processing capability of the mill based on the amount of net sawlog volume (Scribner log scale) that could be utilized by the mill, as currently configured, during a standard 250-day per year, two shifts per day, annual operating schedule, not limited by availability of employment, raw materials or market.

**2 Estimated Mill Production:** the net sawlog volume (Scribner log scale) that received primary manufacture during the calendar year. This is the estimated net sawlog volume used during the year to manufacture sawn products.

Table 4. Sources of logs processed (source of volume included in actual mill production), CY 2009

Mill Name	National Forest	Other Federal	State of Alaska <sup>a</sup>	Private Native	Private Other	Import	Total
	(Scribner log scale, MBF)						
Icy Straits Lumber & Milling Co.	21.5		408.5				430.0
Viking Lumber Co.	8188.85		3509.51				11,698.36
D&L Woodworks	103.5						103.5
Gateway Forest Products (lumber)	Uninstalled						
Ketchikan Renaissance Group	Uninstalled						
Northern Star Cedar	Idle						
Western Gold Cedar Products	40.0		160.0				200.0
Thorne Bay Enterprises	20.0						20.0
J. Peterson	Ownership reverted to Northern Star Cedar						
Herring Bay Lumber	Uninstalled						
Alaska Fibre	Uninstalled						
Falls Creek Forest Products (formerly Southeast Alaska Wood Products)	60.0						60.0
Thorne Bay Wood Products	125.0		250.0		125.0		500.0
Annette Island Sawmill (KPC)	Uninstalled						
Metlakatla Forest Products	Uninstalled						
Thuja Plicata Lumber	200.0						200.0
Porter Lumber Co.			40.0				40.0
Silver Bay, Inc.	Idle						
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co).	150.0						150.0
Kasaan Mountain Lumber & Log	Uninstalled						
The Mill	20.0						20.0
Pacific Log & Lumber	Idle						
Chilkoot Lumber Co.	Uninstalled						
<b>Total</b>	<b>8,928.85</b>		<b>4,368.01</b>		<b>125.0</b>		<b>13,421.86</b>

<sup>a</sup> Source: Alaska Dept of Natural Resources, Div. of Forestry unless noted otherwise

Mill Name	Location	Description	Status	# Employees
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	Craig	Portable circle saw mill, dry kiln, planer/moulder	Active	3
Kasaan Mountain Lumber & Log	Kasaan	Conventional carriage, circle saw headrig, circle saw linebar resaw, edger, debarker	Uninstalled	0
The Mill	Petersburg	(4) portable circle saw mills	Active	1
Pacific Log & Lumber	Ketchikan	(2) conventional carriage mills with circle saw headrigs, horizontal band resaw, edger, trim saw, log debarker and merchandiser, dry kiln, planing mill. 60-ft bandmill added in 2006.	Idle	0
Chilkoot Lumber Co.	Haines	Conventional carriage, 8-ft band headrig, 6-ft and 7-ft band resaws, debarker, chipper, edger, etc.	Uninstalled	0

Table 3. Estimated Mill Capacity and Estimated Mill Production, CY 2009

Mill Name	Estimated Mill Capacity (log scale, MBF) <sup>1</sup>	Estimated Mill Production (log scale, MBF) <sup>2</sup>	Percent Utilization of Installed Capacity
Icy Straits Lumber & Milling Co.	21,000	430	2.05
Viking Lumber Co.	80,000	11,698.36	14.62
D&L Woodworks	1,750	103.5	5.91
Gateway Forest Products (lumber)	Uninstalled		
Ketchikan Renaissance Group veneer mill	Uninstalled		
Northern Star Cedar (NSC)	5,000	Idle	0
Western Gold Cedar Products	6,500	200	3.08
Thorne Bay Enterprises	3,000	20	0.67
J. Peterson	Ownership reverted to Northern Star Cedar		
Herring Bay Lumber	Uninstalled		
Alaska Fibre	Uninstalled		
Falls Creek Forest Products (formerly Southeast Alaska Wood Products)	3,000	60	2.00
Thorne Bay Wood Products	5,000	500	10.00
Annette Island Sawmill (KPC)	Uninstalled		
Metlakatla Forest Products	Uninstalled		
Thuja Plicata Lumber	7,500	200	2.67
Porter Lumber Co.	2,500	40	1.60
Silver Bay, Inc.	65,000	Idle	0
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	1,000	150	15.00
Kasaan Mountain Lumber & Log	Uninstalled		
The Mill	8,500	20	0.24
Pacific Log & Lumber	39,600	Idle	0
Chilkoot Lumber Co.	Uninstalled		
<b>Total</b>	<b>249,350</b>	<b>13,421.86</b>	<b>5.38</b>

Footnotes for Table 3:

**1 Estimated Mill Capacity:** an estimate of the processing capability of the mill based on the amount of net sawlog volume (Scribner log scale) that could be utilized by the mill, as currently configured, during a standard 250-day per year, two shifts per day, annual operating schedule, not limited by availability of employment, raw materials or market.

**2 Estimated Mill Production:** the net sawlog volume (Scribner log scale) that received primary manufacture during the calendar year. This is the estimated net sawlog volume used during the year to manufacture sawn products.

Table 6. Estimated Mill Production by Product, CY 2009

Mill Name	Total Est. Mill Production	Dimension Lumber	Shop Lumber	Cants Timbers	Other
	(Scribner log scale, MBF)				
Icy Straits Lumber & Milling Co.	430.0	175.0	60.0	195.0	
Viking Lumber Co.	11,698.36	2,880.01	5,539.66	3,278.69	
D&L Woodworks	103.5	33.35	70.15		
Gateway Forest Products (lumber)	Uninstalled				
Ketchikan Renaissance Group	Uninstalled				
Northern Star Cedar	Idle				
Western Gold Cedar Products	200.0				200.0
Thorne Bay Enterprises	20.0	20.0			
J. Peterson	Ownership reverted to Northern Star Cedar				
Herring Bay Lumber	Uninstalled				
Alaska Fibre	Uninstalled				
Falls Creek Forest Products (formerly Southeast Alaska Wood Products)	60.0	20.0		10.0	30.0
Thorne Bay Wood Products	500.0	217.0	283.0		
Annette Island Sawmill (KPC)	Uninstalled				
Metlakatla Forest Products	Uninstalled				
Thuja Plicata Lumber	200.0	160.0	26.67	13.33	
Porter Lumber Co.	40.0	14.0	11.0	15.0	
Silver Bay, Inc.	Idle				
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	150.0	22.5	127.5		
Kasaan Mountain Lumber & Log	Uninstalled				
The Mill	20.0	20.0			
Pacific Log & Lumber	Idle				
Chilkoot Lumber Co.	Uninstalled				
<b>Total</b>	<b>13,421.86</b>	<b>3,561.86</b>	<b>6,117.98</b>	<b>3,512.02</b>	<b>230.00</b>

Table 7a. Destination of products manufactured from volume included in estimated mill production, CY 2009

Mill Name	Alaska	Continental U.S.	Canada	Pacific Rim	Other	Total Est. Mill Production
	(Scribner log scale, MBF)					
Icy Straits Lumber & Milling Co.	430.0					430.0
Viking Lumber Co.		6,282.02		5,416.34		11,698.36
D&L Woodworks	103.5					103.5
Gateway Forest Products (lumber)	Uninstalled					
Ketchikan Renaissance Group	Uninstalled					
Northern Star Cedar	Idle					
Western Gold Cedar Products	10.0	190.0				200.0
Thorne Bay Enterprises	20.0					20.0
J. Peterson	Ownership reverted to Northern Star Cedar					
Herring Bay Lumber	Uninstalled					
Alaska Fibre	Uninstalled					
Falls Creek Forest Products (formerly Southeast Alaska Wood Products)	60.0					60.0
Thorne Bay Wood Products	500.0					500.0
Annette Island Sawmill (KPC)	Uninstalled					
Metlakatla Forest Products	Uninstalled					
Thuja Plicata Lumber	66.0	134.0				200.0
Porter Lumber Co.	40.0					40.0
Silver Bay, Inc.	Idle					
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	150.0					150.0
Kasaan Mountain Lumber & Log	Uninstalled					
The Mill	20.0					20.0
Pacific Log & Lumber	Idle					
Chilkoot Lumber Co.	Uninstalled					
<b>Total</b>	<b>1,399.50</b>	<b>6,606.02</b>		<b>5,416.34</b>		<b>13,421.86</b>

Table 7b. Destination of products manufactured from non-sawlog volume, CY 2009

	Alaska	Continental U.S.	Canada	Pacific Rim	Other	Total
	(Scribner log scale, MBF)					
<b>Total</b>	<b>50.0</b>		<b>1,200.0</b>	<b>0</b>	<b>0</b>	<b>1,250.0</b>