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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 2008.
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,
JEDC Wood Products Development Service

Enc.

Tongass Sawmill Capacity and Production Report for CY 2008

**Final Report
October 2, 2009**

Prepared for:

USDA Forest Service, Alaska Region
Forest Management
Juneau, AK

Data Collection and Report Preparation by:

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Mill Capacity and Utilization Survey, CY 2008

During the spring and summer of 2009 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 USDA Forest Service Alaska Region for use in previous survey years were used for the CY 2008 survey, except that log export and log inventory data were dropped from the survey. Sampling was conducted on-site 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 twenty original mills became twenty-two with the partial subdivision of one mill. Of those twenty-two mills, eleven were active in 2008, four were idle, and seven 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 Co., St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.), The Mill, Inc., Pacific Log & Lumber, Western Gold Cedar Products, and Thorne Bay Enterprises (WGCP and TBE were part of the partial subdivision of Northern Star Cedar)

Idle Mills (4): Ketchikan Renaissance Group (formerly Gateway Forest Products (veneer)), Northern Star Cedar, Southeast Alaska Wood Products, and Silver Bay, Inc.

Uninstalled Mills (7): 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 active mills and the four idle mills. That capacity stands at **282,350** MBF, which is a decrease of 10,000 MBF from CY 2007, reflecting a reduction of the installed capacity at Porter Lumber Co.

Mill production in CY 2008 amounted to approximately **23,665.75** MBF; down approximately 8,051.6 MBF from CY 2007. Four mills reported higher production in CY 2008 totaling approximately 565 MBF and seven mills posted decreased production totaling approximately 8,616.6 MBF. Percent mill utilization, based on total installed capacity amounted to **8.38%**.

Mill employment amounted to **94** FTE positions, including owner-operators; a precipitous decrease of 65 positions, or nearly 41 percent, from CY07.

A comparison of survey results from CY 2000 through CY 2008 is presented in Table 1.

Table 1. Comparison of survey results, CY 2000 through CY 2008

	CY 2000	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007	CY 2008
Installed Mill Capacity (MBF)	501,850	453,850	369,850	370,350	359,850	354,350	292,350	282,350
Estimated Mill Production (MBF)	87,117.0	39,701.6	32,005.2	31,027.4	34,694.8	32,140.7	31,717.33	23,665.75
Volume NOT included in mill production (MBF)								
Mfg. products ^a	46,079.0	9,163.5	762.7	509.0	0	7,619.70	4,015.4	2,882.38
Log exports	27,522.0	4,940.0	17,030.3	3,087.9	3,540.54	2,645.84	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
Percent Mill Utilization	17.36	8.75	8.65	8.38	9.64	9.07	10.85	8.38
Employees	321	159.5	155	148	136	122.75	158 ^b	94
^a Primarily chips manufactured from utility logs ^b 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 2008

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	15
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	43
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	Idle	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	1
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	Uninstalled	0
Southeast Alaska Wood Products	Petersburg	(2) portable circle saw mills, trim saw, log and lumber decks, dry kiln, moulder	Idle	0
Thorne Bay Wood Products	Thorne Bay	Portable circle saw mill, trim saw, log and lumber decks, dry kiln, planer/moulder	Active	4
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 saw mills, carriage mill and shake/shingle mill	Active	2
Porter Lumber Co.	Thorne Bay	Portable circle saw mill, gang resaw, trim saw, planer, 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 linear 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.	Active	20
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 2008

Mill Name	Estimated Mill Capacity (log scale, MBF) ¹	Estimated Mill Production (log scale, MBF) ²	Percent Utilization of Installed Capacity
Icy Straits Lumber & Milling Co.	22,500	1,110	4.93
Viking Lumber Co.	80,000	17,000	21.25
D&L Woodworks	1,750	75	4.29
Gateway Forest Products (lumber)	Uninstalled		
Ketchikan Renaissance Group veneer mill, (formerly Gateway Forest Products)	30,000	Idle	0
Northern Star Cedar	5,000	Idle	0
Western Gold Cedar Products	6,500	300	4.62
Thorne Bay Enterprises	3,000	40	1.33
J. Peterson	Ownership reverted to Northern Star Cedar		
Herring Bay Lumber	Uninstalled		
Alaska Fibre	Uninstalled		
Southeast Alaska Wood Products	4,500	Idle	0
Thorne Bay Wood Products	5,000	700	14.00
Annette Island Sawmill (KPC)	Uninstalled		
Metlakatla Forest Products	Uninstalled		
Thuja Plicata Lumber	7,500	300	4.00
Porter Lumber Co.	2,500	150	6.00
Silver Bay, Inc.	65,000	Idle	0
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	1,000	500	50.00
Kasaan Mountain Lumber & Log	Uninstalled		
The Mill	8,500	15	0.18
Pacific Log & Lumber	39,600	3475.75	8.78
Chilkoot Lumber Co.	Uninstalled		
Total	282,350	23,665.75	8.38

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 2008

Mill Name	National Forest	Other Federal	State of Alaska ^a	Private Native	Private Other	Import	Total
	(Scribner log scale, MBF)						
Icy Straits Lumber & Milling Co.	99.9		1,010.1				1,110
Viking Lumber Co.	12,750		4,250				17,000
D&L Woodworks	75						75
Gateway Forest Products (lumber)	Uninstalled						
Ketchikan Renaissance Group (formerly Gateway Forest Products)	Idle						
Northern Star Cedar	Idle						
Western Gold Cedar Products	195		105				300
Thorne Bay Enterprises	20		20				40
J. Peterson	Ownership reverted to Northern Star Cedar						
Herring Bay Lumber	Uninstalled						
Alaska Fibre	Uninstalled						
Southeast Alaska Wood Products	Idle						
Thorne Bay Wood Products	210		490				700
Annette Island Sawmill (KPC)	Uninstalled						
Metlakatla Forest Products	Uninstalled						
Thuja Plicata Lumber	150		150				300
Porter Lumber Co.	150						150
Silver Bay, Inc.	Idle						
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co).	500						500
Kasaan Mountain Lumber & Log	Uninstalled						
The Mill	15						15
Pacific Log & Lumber	3,475.75						3,475.75
Chilkoot Lumber Co.	Uninstalled						
Total	17,640.65	--	6,025.10	--	--	--	23,665.75

^a Source: Alaska Dept of Natural Resources, Div. of Forestry unless noted otherwise

Table 5a. Primary manufactured product by species, included in actual mill production (formerly labeled, Estimated Mill Production by Species), CY 2008

Mill Name	Total Est. Mill Production	Sitka Spruce	Western Hemlock	Western Redcedar	Alaska Yellow Cedar	Other
	(Scribner log scale, MBF)					
Icy Straits Lumber & Milling Co.	1,110	200	250	600	60	
Viking Lumber Co.	17,000	6,000	7,750	3,000	250	
D&L Woodworks	75	30	15		30	
Gateway Forest Products (lumber)	Uninstalled					
Ketchikan Renaissance Group formerly Gateway Forest Products	Idle					
Northern Star Cedar	Idle					
Western Gold Cedar Products	300			300		
Thorne Bay Enterprises	40	20		20		
J. Peterson	Ownership reverted to Northern Star Cedar					
Herring Bay Lumber	Uninstalled					
Alaska Fibre	Uninstalled					
Southeast Alaska Wood Products	Idle					
Thorne Bay Wood Products	700	140	420	140		
Annette Island Sawmill (KPC)	Uninstalled					
Metlakatla Forest Products	Uninstalled					
Thuja Plicata Lumber	300	30		260	10	
Porter Lumber Co.	150	7.5	135	7.5		
Silver Bay, Inc.	Idle					
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	500	75	125	200	100	
Kasaan Mountain Lumber & Log	Uninstalled					
The Mill	15	5	10			
Pacific Log & Lumber	3,475.75	480.83	2,699.35	280.08	15.49	
Chilkoot Lumber Co.	Uninstalled					
Total	23,665.75	6,988.33	11,404.35	4,807.58	465.49	0

Table 5b. Primary manufactured product by species NOT included in actual mill production, CY 2008

	Total	Sitka Spruce	Western Hemlock	Western Redcedar	Alaska Yellow Cedar	Other
	(Scribner log scale, MBF)					
Total (only 1 mill reporting)	2,882.38	287.81	2520.10	74.47	0	0

NOTE: "Primary manufactured products NOT included in actual mill production" consists of all non-sawn products (e.g., chips, firewood, poles, house logs) that are manufactured independently of normal sawmill operations (in other words, products from logs that do not go through the sawmill). Non-sawn products, such as chips or firewood that result from processing sawmill residues and by-products are not included in this category.

Table 6. Estimated Mill Production by Product, CY 2008

Mill Name	Total Est. Mill Production	Dimension Lumber	Shop Lumber	Cants	Other
	(Scribner log scale, MBF)				
Icy Straits Lumber & Milling Co.	1,110	500	300	310	
Viking Lumber Co.	17,000	7,500	3,500	6,000	
D&L Woodworks	75	72		3	
Gateway Forest Products (lumber)	Uninstalled				
Ketchikan Renaissance Group, (formerly Gateway Forest Products)	Idle				
Northern Star Cedar	Idle				
Western Gold Cedar Products	300				300
Thorne Bay Enterprises	40	40			
J. Peterson	Ownership reverted to Northern Star Cedar				
Herring Bay Lumber	Uninstalled				
Alaska Fibre	Uninstalled				
Southeast Alaska Wood Products	Idle				
Thorne Bay Wood Products	700	700			
Annette Island Sawmill (KPC)	Uninstalled				
Metlakatla Forest Products	Uninstalled				
Thuja Plicata Lumber	300	170		130	
Porter Lumber Co.	150	50.25	99.75		
Silver Bay, Inc.	Idle				
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	500	197.5	302.5		
Kasaan Mountain Lumber & Log	Uninstalled				
The Mill	15	8		7	
Pacific Log & Lumber	3,475.75	1767.64	1692.62	15.49	
Chilkoot Lumber Co.	Uninstalled				
Total	23,665.75	11,005.39	5,795.12	6,565.24	300.00

Table 7a. Destination of products manufactured from volume included in estimated mill production, CY 2008

Mill Name	Alaska	Continental U.S.	Canada	Pacific Rim	Other	Total Est. Mill Production
	(Scribner log scale, MBF)					
Icy Straits Lumber & Milling Co.	666	444				1,110
Viking Lumber Co.		11,675		5,325		17,000
D&L Woodworks	75					75
Gateway Forest Products (lumber)	Uninstalled					
Ketchikan Renaissance Group, formerly Gateway Forest Products	Idle					
Northern Star Cedar	Idle					
Western Gold Cedar Products	30	270				300
Thorne Bay Enterprises	40					40
J. Peterson	Ownership reverted to Northern Star Cedar					
Herring Bay Lumber	Uninstalled					
Alaska Fibre	Uninstalled					
Southeast Alaska Wood Products	Idle					
Thorne Bay Wood Products	665	35				700
Annette Island Sawmill (KPC)	Uninstalled					
Metlakatla Forest Products	Uninstalled					
Thuja Plicata Lumber	100	200				300
Porter Lumber Co.	150					150
Silver Bay, Inc.	Idle					
St. Nick Forest Products (formerly W.R. Jones & Son Lumber Co.)	450	50				500
Kasaan Mountain Lumber & Log	Uninstalled					
The Mill	15					15
Pacific Log & Lumber	104.27	2,989.14		139.03	243.31	3,475.75
Chilkoot Lumber Co.	Uninstalled					
Total	2,295.27	15,663.15	0	5,464.02	243.31	23,665.75

Table 7b. Destination of products manufactured from non-sawlog volume, CY 2008

	Alaska	Continental U.S.	Canada	Pacific Rim	Other	Total
	(Scribner log scale, MBF)					
Total (only 1 mill reporting)	7	2,875.38	0	0	0	2,882.38

NOTE: "Primary manufactured products NOT included in actual mill production" consists of all non-sawn products (e.g., chips, firewood, poles, house logs) that are manufactured independently of normal sawmill operations (in other words, products from logs that do not go through the sawmill). Non-sawn products, such as chips or firewood that result from processing sawmill residues and by-products are not included in this category.