

Tongass Sawmill Capacity and Production Report for CY 2007

**Final Report
January 13, 2009**

Prepared for:

USDA Forest Service
Alaska Region, Forest Management
Juneau, AK

Data Collection by:

Kenneth A. Kilborn

Mill Capacity and Utilization Survey, CY 2007

During the spring and summer of 2008 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's Alaska Region for use in previous survey years were used for the CY 2007 survey. Additional data split out 'dimension lumber' and 'shop lumber' from the previous category called "lumber"; however log inventory and log export data was not collected. 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). As of CY 2007, ten of the original twenty mills were still in regular operation and one was idle. One mill, which had been idle for several years, re-opened in CY 2007, operated for a few months and then shut down again. One mill was subdivided into 3 smaller operations and sold to three new owners/operators. Seven of the original 20 mills were out of business.

Active Mills (10): Icy Straits Lumber & Milling, Viking Lumber Co., D&L Woodworks, Thorne Bay Wood Products, Thuja Plicata Lumber, Porter Lumber, Silver Bay, Inc., The Mill, Inc., Pacific Log & Lumber, and W.R. Jones & Son Lumber Co. (It should be noted that W.R. "Dick" Jones, owner of W.R. Jones and Son Lumber Co. passed away in October 2006; the mill was sold to Ron Sharp in 2007.)

Idle Mills (1): Southeast Alaska Wood Products

Re-opened mill (1): Renaissance Ketchikan Group (formerly Gateway Forest Products veneer)

Subdivided mill (1): Northern Star Cedar was divided into 3 distinct and separate entities. The new owners are Kurt Welser, Jan Peterson and Jim Harrison. In order to maintain report continuity, information from these mills is included in this report.

Mills out of business (7): Gateway Forest Products (lumber mill), Herring Bay Lumber, Alaska Fibre (sold sawmill; maintains other wood processing capabilities), Metlakatla Forest Products, Kasaan Mountain Logging and Lumber, Chilkoot Lumber Co., Annette Island Sawmill (formerly KPC Hemlock mill)

The installed capacity for the active mills amounted to 287,850 MBF and the installed capacity of the idle mill amounted to 4,500 MBF. While a case can be made for including the idle capacity at Southeast Alaska Wood Products (the idle mill) in the "total installed capacity" number, the decision was made to drop the capacity of the Annette Island Sawmill (70 MMBF). The Annette Island Sawmill has been idle since 2001 and, although most of the equipment is still in place, it is no longer considered operable. For the purposes of this report, "total installed capacity" includes the capacity of all 10 active mills, the one temporarily reopened mill, the one idle mill, and the three mills that resulted from the subdivision of Northern Star Cedar.

Total installed capacity (292,350 MBF) decreased by 62,000 MBF board feet from CY 2006, which reflects the *deduction* of the Annette Island mill's capacity (70,000 MBF) and the *addition* of some equipment that was sold by Northern Star Cedar in 2006 (8,000 MBF). The status of the Northern Star Cedar equipment in CY 2006 was unknown, but probably should not have been deducted from the total installed capacity in CY 2006, knowing now what was not known then.

Mill production in CY 2007 amounted to approximately 31,717 MBF; down approximately 423 MBF from CY 2006. Five mills reported higher production in CY 2007 totaling approximately 2.2 MMBF and five mills posted decreased production totaling approximately 2.97 MMBF.

Three mills reported the same production as CY 2006. Percent mill utilization, based on total installed capacity amounted to 10.85%. This is a rather notable increase in percent utilization over previous years, *but* is a reflection of the reduction in installed capacity, rather than an increase in production (which actually decreased more than 423,000 board feet).

Employment appeared to increase to a reported 159, *but* this includes 35 positions at Ketchikan Renaissance Group veneer mill, which only lasted a couple months. Discounting that anomaly, employment remained essentially flat at 124.

Comparison of Survey Results

	CY 2000	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007
Installed Mill Capacity (MBF)	501,850	453,850	369,850	370,350	359,850	354,350	292,350
Estimated Mill Production (MBF)	87,117	39,701.6	32,005.2	31,027.4	34,694.8	32,140.7	31,717.33
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
Log exports	27,522.0	4,940.0	17,030.3	3,087.9	3,540.54	2,645.84	Not collected
Total	73,601.0	14,103.5	17,793.0	3,596.9	3,540.54	10,265.54	NA
Percent Mill Utilization	17.36	8.75	8.65	8.38	9.64	9.07	10.85
Employees	321	159.5	155	148	136	122.75	158 ^b
^a Primarily chips and bark manufactured from utility logs							
^b Includes 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 1. Basic Mill Information, CY 2007

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	10
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	42
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	Out of business, Uninstalled	0
Ketchikan Renaissance Group, formerly Gateway Forest Products (vener)	Ketchikan	Rotary veneer mill, log debarker and merchandiser	Re-opened; operated for a couple months	35 ^a
Northern Star Cedar	Thorne Bay	Shake/shingle mills, portable sawmills, trim saws, etc.	Subdivided, sold to:	0
J. Harrison	Thorne Bay	Shake & shingle mills	Active	1
K. Welser	Thorne Bay	Portable circle saw mill, trim saw, log and lumber decks	Active	2
J. Peterson	Thorne Bay	Portable circle saw mill	Active	1
Herring Bay Lumber	Ketchikan	Conventional carriage, circle saw headrig, resaw edger, trim saw	Out of business, Uninstalled	0
Alaska Fibre	Petersburg	Portable circle saw mill, horizontal band resaw, edger	Primary processing equipment sold in 2005	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	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	Out of business, Uninstalled	0
Thuja Plicata Lumber	Thorne Bay	Portable circle saw 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	4
Silver Bay, Inc.	Wrangell	Conventional carriages, band saw headrigs, linebar resaw edgers, trim saw, planer mill, log debarker and merchandiser;	Active	30

Mill Name	Location	Description	Status	# Employees
W.R. Jones & Son Lumber Co.	Craig	Portable circle saw mill, dry kiln, planer/moulder	Sold to new owner; Active	3
Kasaan Mountain Lumber & Log	Kasaan	Conventional carriage, circle saw headrig, circle saw linebar resaw, edger, debarker	Out of business, 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.	Out of business, Uninstalled	0
^a These 35 positions were NOT FTEs; the mill only operated for a few months				

Table 2. Estimated Mill Capacity and Estimated Mill Production, CY 2007

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	1,500	6.66
Viking Lumber Co.	80,000	19,000	23.75
D&L Woodworks	1,750	75	4.29
Gateway Forest Products (lumber)	Uninstalled		
Ketchikan veneer mill, formerly Gateway Forest Products (veneer)	30,000	473.5	1.58
Northern Star Cedar (NSC)	(Original NSC Estimated Mill Capacity (total) = 14,500) Subdivided, sold to:		
J. Harrison	6,500	300	4.62
K. Welser	3,000	25	0.83
J. Peterson	5,000	21.5	0.43
Herring Bay Lumber	Uninstalled		
Alaska Fibre	No primary processing capacity		
Southeast Alaska Wood Products	4,500	Idle	0
Thorne Bay Wood Products	5,000	600	12.0
Annette Island Sawmill (KPC)	Uninstalled		
Metlakatla Forest Products	Uninstalled		
Thuja Plicata Lumber	7,500	250	3.33
Porter Lumber Co.	12,500	500	4.0
Silver Bay, Inc.	65,000	3,788.76	5.83
W.R. Jones & Son Lumber Co.	1,000	100	10.0
Kasaan Mountain Lumber & Log	Uninstalled		
The Mill	8,500	40	0.47
Pacific Log & Lumber	39,600	5,043.57	12.74
Chilkoot Lumber Co.	Uninstalled		
Total	292,350	31,717.33	10.85

Footnotes for Table 2:

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 3. Sources of logs processed (source of volume included in estimated mill production), CY 2007

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.	300		1,200				1,500
Viking Lumber Co.	14,250		4,750				19,000
D&L Woodworks	75						75
Gateway Forest Products (lumber)	Uninstalled						
Ketchikan Renaissance Group, formerly Gateway Forest Products (vener)					257.06	216.44	473.5
Northern Star Cedar	Subdivided, sold to:						
J. Harrison	105		90		105		300
K. Welsler			5		20		25
J. Peterson	7.53				13.97		21.5
Herring Bay Lumber	Uninstalled						
Alaska Fibre	Uninstalled						
Southeast Alaska Wood Products	Idle						
Thorne Bay Wood Products	60		420		120		600
Annette Island Sawmill (KPC)	Uninstalled						
Metlakatla Forest Products	Uninstalled						
Thuja Plicata Lumber	250						250
Porter Lumber Co.	500						500
Silver Bay, Inc.			3788.76 ^b				3,788.76
W.R. Jones & Son Lumber Co.			100				100
Kasaan Mountain Lumber & Log	Uninstalled						
The Mill	36		2		2		40
Pacific Log & Lumber	1260.89		3782.68				5,043.57
Chilkoot Lumber Co.	Uninstalled						
Total	16,844.42		14,138.44		518.03	216.44	31,717.33
^a Source: Alaska Dept of Natural Resources, Div. of Forestry unless noted otherwise							
^b 99% of this volume came from Alaska Mental Health Trust lands							

Table 4. Estimated Mill Production by Species, CY 2007

Mill Name	Total Est. Mill Production	Sitka Spruce	Western Hemlock	Western Redcedar	Alaska Yellow Cedar	Other
Icy Straits Lumber & Milling Co.	1,500	300	500	600	100	
Viking Lumber Co.	19,000	5,846.3	10,961.1	2,192.6		
D&L Woodworks	75	40	15		20	
Gateway Forest Products (lumber)	Uninstalled					
Ketchikan Renaissance Group, formerly Gateway Forest Products (vener)	473.5	47.35	426.15			
Northern Star Cedar	Subdivided, sold to:					
J. Harrison	300			300		
K. Welser	25	20		5		
J. Peterson	21.5	0.5	12	8	1	
Herring Bay Lumber	Uninstalled					
Alaska Fibre	Uninstalled					
Southeast Alaska Wood Products	Idle					
Thorne Bay Wood Products	600	200	200	150	50	
Annette Island Sawmill (KPC)	Uninstalled					
Metlakatla Forest Products	Uninstalled					
Thuja Plicata Lumber	250			225	25	
Porter Lumber Co.	500	350	100	40	10	
Silver Bay, Inc.	3,788.76	771.35	2,308.76	446.05	262.6	
W.R. Jones & Son Lumber Co.	100	10	10	80		
Kasaan Mountain Lumber & Log	Uninstalled					
The Mill	40	15	20		5	
Pacific Log & Lumber	5,043.57	852.87	2,661.74	1,417.81	111.15	
Chilkoot Lumber Co.	Uninstalled					
Total	31,717.33	8,453.37	17,214.75	5,464.46	584.74	0

Table 5. Estimated Mill Production by Product, CY 2007

Mill Name	Total Est. Mill Production	Dimension Lumber	Shop Lumber	Cants	Other
	(Scribner log scale, MBF)				
Icy Straits Lumber & Milling Co.	1,500	1,190		310	
Viking Lumber Co.	19,000	8,399.49	6,946.57	3,653.94	
D&L Woodworks	75	75			
Gateway Forest Products (lumber)	Uninstalled				
Ketchikan Renaissance Group, formerly Gateway Forest Products (vencer)	473.5				473.5
Northern Star Cedar	Subdivided, sold to:				
J. Harrison	300				300
K. Welser	25	25			
J. Peterson	21.5	21.5			
Herring Bay Lumber	Uninstalled				
Alaska Fibre	Uninstalled				
Southeast Alaska Wood Products	Idle				
Thorne Bay Wood Products	600	540	60		
Annette Island Sawmill (KPC)	Uninstalled				
Metlakatla Forest Products	Uninstalled				
Thuja Plicata Lumber	250	103.75		146.25	
Porter Lumber Co.	500	250		250	
Silver Bay, Inc.	3,788.76	405.02	130.36	3,253.38	
W.R. Jones & Son Lumber Co.	100	100			
Kasaan Mountain Lumber & Log	Uninstalled				
The Mill	40			40	
Pacific Log & Lumber	5,043.57	643.52	1,832.5	2,537.74	29.81
Chilkoot Lumber Co.	Uninstalled				
Total	31,717.33	11,753.28	8,969.43	10,191.31	803.31

Table 6. Destination of products manufactured from volume included in estimated mill production, CY 2007

Mill Name	Alaska	Continental U.S.	Canada	Pacific Rim	Europe	Total Est. Mill Production
	(Scribner log scale, MBF)					
Icy Straits Lumber & Milling Co.	900	600				1,500
Viking Lumber Co.		14,611		4,389		19,000
D&L Woodworks	75					75
Gateway Forest Products (lumber)	Uninstalled					
Ketchikan Renaissance Group, formerly Gateway Forest Products (vener)		118.37	355.13			473.5
Northern Star Cedar	Subdivided, sold to:					
J. Harrison		300				300
K. Welser	5	20				25
J. Peterson	21.5					21.5
Herring Bay Lumber	Uninstalled					
Alaska Fibre	Uninstalled					
Southeast Alaska Wood Products	Idle					
Thorne Bay Wood Products	594	6				600
Annette Island Sawmill (KPC)	Uninstalled					
Metlakatla Forest Products	Uninstalled					
Thuja Plicata Lumber	12.5	237.5				250
Porter Lumber Co.	500					500
Silver Bay, Inc.		3,788.76				3,788.76
W.R. Jones & Son Lumber Co.	90	10				100
Kasaan Mountain Lumber & Log	Uninstalled					
The Mill	40					40
Pacific Log & Lumber	1,361.76	2,420.91	353.05	857.41	50.44	5,043.57
Chilkoot Lumber Co.	Uninstalled					
Total	3,599.76	22,112.54	708.18	5,246.41	50.44	31,717.33