



REPORT TO FOREST MANAGEMENT USDA FOREST SERVICE, ALASKA REGION

TONGASS NATIONAL FOREST: 2013 SAWMILL CAPACITY AND PRODUCTION REPORT

INTRODUCTION

Since 2000, the United States Forest Service (USFS), Alaska Region Office has conducted an annual onsite survey of sawmills across the Tongass National Forest, spanning from Haines to Metlakatla. The purpose of the survey is to gather information regarding current sawmill operations including total estimated capacity, actual production volume, harvested lands, primary products, market destinations, employment, and general business expansion and retention challenges. This report, *Tongass National Forest: 2013 Sawmill Capacity and Production Report*, summarizes key 2013 survey findings, provides limited supplemental discussion, and presents a longitudinal perspective of sawmill performance over the past thirteen years. Survey findings are organized into seven substantive sections including:

- Longitudinal Survey Results
- Sawmill Overview
- Capacity and Production Volume
- Harvested Lands
- Primary Product by Species
- Production Volume by Product
- Markets

Sawmill key-informant survey results provide a framework for assessing sawmill performance over time, exploring current business conditions and challenges, tracking products and markets, following harvested public and private lands, and assessing employment levels.

METHODS

The 2013 sawmill survey, covering the January to December 2013 time period, was conducted during August 2014. In contrast to traditional surveys that oftentimes utilize a random sample method to collect input, the USFS Alaska Region implemented an onsite survey of all Southeast medium to large sawmills that operate on a regular basis. Surveys were conducted via onsite or telephone interviews. To allow comparative longitudinal analysis, the survey instrument has remained consistent from 2000 to 2013 and includes a variety of business profile, sawmill activity, and product and market questionnaire items (Table 1).



Table 1. Survey Instrument Summary

Business Profile			
Business Name Owner's Name Location Sawmill Description Sawmill Size Classification	Estimated Processing Capacity Actual Production Volume Percent Overrun Percent Underrun	Primary Products Secondary Products Destination Markets	Harvested Land Employment

Data contained within this report is collected via qualitative interviews with sawmill owners (and operators) and should be considered estimates with a margin of error. Owners estimate sawmill capacity, production, and other questionnaire items based on knowledge of prior year activities. USFS staff further convert, round, and aggregate key-informant estimates for summary purposes.

POPULATION FRAME

The sawmill survey population frame was established in 2000 using criteria that required: 1) regular year-round operation; and 2) medium to large size classification. In 2000, there were 20 sawmills that evolved to 22 sawmills (2007) with the subdivision of one sawmill. To maintain longitudinal consistency and comparative value, the annual sawmill survey includes only the original 22 sawmills; interviewing only ten active sawmills in 2013. Of noteworthy importance, numerous small sawmills that operate on a seasonal, part-time, or contingent basis exist across the region, each with varying degrees of success. While these sawmills are part of the larger Southeast forest products industry, they are outside the original survey population frame and are excluded from this report.

Since 2000, 22 medium- to large-scale sawmills have operated across the Tongass National Forest with the greatest concentration in southern Southeast Alaska (Table 2). Nearly half (45%) of these sawmills have closed since 2000; no new sawmills of equal size classification have been established during the same time frame. During 2013, ten sawmills (45%) remained active and ten sawmills (45%) were no longer in production (i.e., decommissioned, uninstalled). Two sawmills (10%) remain installed with significant equipment onsite, but are not operating and remain in idle status.

Table 2. Original Sawmill Population Frame (2000)

Active (10)		
Viking Lumber Company Icy Straits Lumber and Milling Company Good Faith Lumber Company Western Gold Cedar Products Saint Nick Forest Products D and L Woodworks Porter Lumber Company Thuja Plicata Lumber The Mill Falls Creek Forest Products	Northern Star Cedar Thorne Bay Enterprises	Gateway Forest Products Ketchikan Renaissance Group Herring Bay Lumber Pacific Log and Lumber Annette Island Sawmill Metlakatla Forest Products Silver Bay Incorporated Alaska Fibre Kasaan Mountain Lumber and Log Chilkoot Lumber Company



LONGITUDINAL SURVEY RESULTS

For the purposes of this report, “total installed capacity” includes the capacity of 12 sawmills including ten active and two idle sawmills. Capacity is an estimate of sawmill processing capability based on the amount of net sawlog volume that could be utilized by the sawmill, as currently configured, during a standard 250-day per year, two shifts per day annual operating schedule – and, not limited by availability of workforce, raw materials, or market conditions. During 2013, installed capacity of Southeast’s 12 sawmills totaled 120,400 thousand board feet (MBF), which remained unchanged compared to 2012 (Table 3).

Actual sawmill production during 2013 totaled approximately 17,593 MBF across ten active sawmills, an increase of 3,751 MBF compared to 2012. Six sawmills (50%) reported higher production in 2013 totaling approximately 3,893 MBF. In contrast, three sawmills (25%) reported decreased production totaling 142 MBF. One sawmill indicated production from 2012 to 2013 remained the same. 2013 sawmill utilization, based on total installed capacity of 120,400 MBF, is estimated at 15 percent. Although 2013 sawmill utilization increased three percent from 2012, Southeast sawmills remain significantly underutilized.

2013 sawmill employment totaled nearly 60 full-time equivalent (FTE) positions including owners, operators, and other employees. Employment increased, by two jobs, from 2012 to 2013. Notably, employment has remained relatively stable since 2009, ranging from 58 to 64 jobs.

Table 3. Annual Sawmill Survey Results, Calendar Years 2000 - 2013

2000													
Installed Mill Capacity (MBF)	501,850	453,850	369,850	370,350	359,850	354,350	292,350	282,350	249,350	155,850	160,000	120,400	120,400
Estimated Mill Production (MBF)	87,117	39,702	32,005	31,027	34,695	32,141	31,717	23,666	13,422	15,807	11,546	13,842	17,593
Volume NOT Included in Mill Production (MBF)													
Mfg. Products ^a	46,079	9,164	763	509	0	7,620	4,015	3,513	1,250	385	1,295	899	920
Log Exports	27,522	4,940	17,030	3,088	3,541	2,646	-- C	-- C	-- C	-- C	-- C	-- C	-- C
Total	73,601	14,104	17,793	3,597	3,541	10,266	NA	NA	NA	NA	NA	NA	NA
Percent Mill Utilization	17%	9%	9%	8%	10%	9%	11%	8%	5%	10%	7%	12%	15%
Employment	321	160	155	148	136	123	158 ^b	94	58	64	56	58	60
Total Active Sawmills	20	12	13	13	12	11	13	11	11	10	10	10	10

^a Manufactured products primarily include chips and bark manufactured from utility logs, but may also include firewood.

^b Included 35 positions reported at the reopened Ketchikan Renaissance Group veneer mill, which only operated for a few months.

^c Data not collected.

Note1: Annual sawmill survey data was not collected for 2001.

Note2: Total sawmills rose to 13 in 2008 with the subdivision of Northern Star Cedar into three independent sawmills.



SAWMILL OVERVIEW

Table 4. Active, Idle, and Uninstalled Sawmill Summary [N = 22]

Sawmill	Community	Description	Current Status	Total Employees
Viking Lumber Company	Craig	Conventional carriage, band saw headrig, linebar and gang resaws, edgers, trim saw, log debarker and merchandiser, end-dogging circle saw scragg	Active	34
Icy Straits Lumber and Milling Company	Hoonah	Mighty Mite sawmill, horizontal band resaw, log debarker and merchandiser (not installed), dry kiln, planer, moulder	Active	8
Good Faith Lumber Company (formerly Thorne Bay Wood Products)	Thorne Bay	Portable circle saw mill, trim saw, log and lumber decks, dry kiln, planer, moulder	Active	6
Western Gold Cedar Products (part of Northern Star Cedar breakup)	Thorne Bay	Shake and shingle mills	Active	3
Saint Nick Forest Products (formerly W.R. Jones and Son Lumber Company)	Craig	Portable circle saw mill, dry kiln, planer, moulder	Active	2
D and L Woodworks	Hoonah	Portable band saw mill and portable circle saw mill	Active	2
Porter Lumber Company	Thorne Bay	Portable circle saw mill, dry kiln	Active	2
Thuja Plicata Lumber	Thorne Bay	Portable circle saw mills, carriage mill with circle saw headrig, shake mill, shingle mill	Active	1.5
The Mill	Petersburg	Two portable circle saw mills	Active	0.5
Falls Creek Forest Products (formerly Southeast Alaska Wood Products)	Petersburg	Portable circle saw mill, trim saw, log and lumber decks, dry kiln, moulder	Active	0.5
Northern Star Cedar	Thorne Bay	Mighty Mite sawmill	Idle	0
Thorne Bay Enterprises (part of Northern Star Cedar breakup)	Thorne Bay	Portable circle saw mill, log infeed and lumber outfeed decks	Idle	0
Gateway Forest Products	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
Herring Bay Lumber	Ketchikan	Conventional carriage, circle saw headrig, resaw edger, trim saw	Uninstalled	0
Pacific Log and Lumber	Ketchikan	Conventional carriage mills (2) with circle saw headrigs, horizontal band resaw, edger, trim saw, log debarker and merchandiser, dry kiln, planer mill, 60-foot band mill	Uninstalled	0
Annette Island Sawmill (aka KPC Hemlock Mill)	Metlakatla	Conventional carriage, single cut band saw headrig, linebar resaw, gang edger/resaw, edger, trim saw, log debarker, merchandiser	Uninstalled	0
Metlakatla Forest Products	Metlakatla	Conventional carriage, circle saw headrig with top saw, horizontal resaw, edger, log debarker, merchandiser	Uninstalled	0
Silver Bay Incorporated	Wrangell	Conventional carriages, band saw headrigs, linebar resaw edgers, trim saw, planer mill, log debarker, merchandise;	Uninstalled	0
Alaska Fibre	Petersburg	Portable circle saw mill, horizontal band resaw, edger	Uninstalled	0
Kasaan Mountain Lumber and Log	Kasaan	Conventional carriage, circle saw headrig, circle saw linebar resaw, edger, debarker	Uninstalled	0
Chilkoot Lumber Company	Haines	Conventional carriage, eight-foot band headrig, six and seven foot band resaws, debarker, chipper, and edger	Uninstalled	0



CAPACITY AND PRODUCTION VOLUME

Table 5. 2013 Estimated Sawmill Capacity and Actual Production

[Scribner Log Scale, MBF]

Sawmill	Estimated Sawmill Capacity [Scribner Log Scale, MBF] ¹	Actual Sawmill Production [Scribner Log Scale, MBF] ²	Percent Utilization of Installed Capacity
Viking Lumber Company	80,000	15,000	19%
Icy Straits Lumber and Milling Company	3,000	400	13%
Good Faith Lumber Company	5,500	785	14%
Western Gold Cedar Products	6,500	650	10%
Saint Nick Forest Products	1,150	170	15%
D and L Woodworks	1,750	55	3%
Porter Lumber Company	2,500	203	8%
Thuja Plicata Lumber	7,500	250	3%
The Mill	6,000	60	1%
Falls Creek Forest Products	3,000	20	1%
Northern Star Cedar	2,500	Idle	NA
Thorne Bay Enterprises	1,000	Idle	NA
Total	120,400	17,593	15%
¹ Estimated Sawmill Capacity: An estimate of sawmill processing capability 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, and not limited by availability of workforce, raw materials, or market. ² Actual Sawmill Production: The net sawlog volume (Scribner log scale) used during the year to manufacture sawn products.			



HARVESTED LANDS

Table 6a. Processed Log Sources, Volume Included in Actual Sawmill Production

[Scribner Log Scale, MBF]

Sawmill	National Forest	Other Federal	State Forest ^a	Private Native	Private Other	Import	Total
Viking Lumber Company	11,550	0	3,450	0	0	0	15,000
Icy Straits Lumber and Milling Company	400	0	0	0	0	0	400
Good Faith Lumber Company	777	0	0	0	8	0	785
Western Gold Cedar Products	423	0	98	130	0	0	650
Saint Nick Forest Products	90	0	80	0	0	0	170
D and L Woodworks	55	0	0	0	0	0	55
Porter Lumber Company	128	0	75	0	0	0	203
Thuja Plicata Lumber	250	0	0	0	0	0	250
The Mill	60	0	0	0	0	0	60
Falls Creek Forest Products	20	0	0	0	0	0	20
Total	13,753	0	3703	130	8	0	17,593
Percent	78%	0%	21%	< 1%	< 1%	0%	100%

^a Source: State of Alaska, Department of Natural Resources, Division of Forestry

Table 6b. Processed Log Sources, Volume Not Included* in Actual Sawmill Production

[Scribner Log Scale, MBF]

Sawmill	National Forest	Other Federal	State Forest ^a	Private Native	Private Other	Import	Total
Total	808	0	112	0	0	0	920
Percent	88%	0%	12%	0%	0%	0%	100%

* Primary manufactured products NOT included in actual sawmill production consists of all non-sawn products (e.g., chips, firewood, poles, house logs) that are manufactured independent of normal sawmill operations – products from logs that do not go through the sawmill. Non-sawn products, including chips and firewood, that result from processing sawmill residents and by-products are not included in this category.



PRIMARY PRODUCT BY SPECIES

Table 7a. Primary Product by Species, Volume Included in Actual Sawmill Production [Scribner Log Scale, MBF]

Sawmill	Sitka Spruce	Western Hemlock	Western Red Cedar	Alaska Yellow Cedar	Other	Total Mill Production
Viking Lumber Company	5,000	3,000	7,000	0	0	15,000
Icy Straits Lumber and Milling Company	100	240	10	50	0	400
Good Faith Lumber Company	157	314	236	79	0	785
Western Gold Cedar Products	0	0	650	0	0	650
Saint Nick Forest Products	0	20	150	0	0	170
D and L Woodworks	40	10	0	5	0	55
Porter Lumber Company	150	0	50	3	0	203
Thuja Plicata Lumber	0	0	205	45	0	250
The Mill	0	60	0	0	0	60
Falls Creek Forest Products	16	4	0	0	0	20
Total	5,463	3,648	8,301	181	0	17,593
Percent	31%	21%	47%	1%	0%	100%

Table 7b. Primary Product by Species, Volume Not Included in Actual Sawmill Production [Scribner Log Scale, MBF]

Sawmill	Sitka Spruce	Western Hemlock	Western Red Cedar	Alaska Yellow Cedar	Other	Total Mill Production
Total	54	866	0	0	0	920
Percent	6%	94%	0%	0%	0%	100%



PRODUCTION VOLUME BY PRODUCT

Table 8. Sawmill Production by Product, Volume Included in Actual Sawmill Production [Scribner Log Scale, MBF]

Sawmill	Dimension Lumber	Shop Lumber	Cants Timbers	Other	Total Mill Production
Viking Lumber Company	7,600	3,900	3,500	0	15,000
Icy Straits Lumber and Milling Company	70	107	223	0	400
Good Faith Lumber Company	381	122	282	0	785
Western Gold Cedar Products	0	0	0	650	650
Saint Nick Forest Products	125	45	0	0	170
D and L Woodworks	55	0	0	0	55
Porter Lumber Company	53	0	150	0	203
Thuja Plicata Lumber	250	0	0	0	250
The Mill	60	0	0	0	60
Falls Creek Forest Products	20	0	0	0	20
Total	8,614	4,174	4,155	650	17,593
Percent	49%	24%	24%	4%	100%



MARKETS

Table 9a. Product Destination, Volume Included in Actual Sawmill Production

[Scribner Log Scale, MBF]

Sawmill	Alaska	Continental United States	Canada	Pacific Rim	Other	Total Mill Production
Viking Lumber Company	0	9,000	0	6,000	0	15,000
Icy Straits Lumber and Milling Company	380	20	0	0	0	400
Good Faith Lumber Company	785	0	0	0	0	785
Western Gold Cedar Products	0	325	325	0	0	650
Saint Nick Forest Products	170	0	0	0	0	170
D and L Woodworks	55	0	0	0	0	55
Porter Lumber Company	43	160	0	0	0	203
Thuja Plicata Lumber	228	23	0	0	0	250
The Mill	60	0	0	0	0	60
Falls Creek Forest Products	20	0	0	0	0	20
Total	1,740	9,527	325	6,000	0	17,593
Percent	10%	54%	2%	34%	0%	100%

Table 9b. Product Destination, Volume Not Included in Actual Sawmill Production

[Scribner Log Scale, MBF]

Sawmill	Alaska	Continental United States	Canada	Pacific Rim	Other	Total Mill Production
Total	320	0	600	0	0	920
Percent	35%	0	65%	0	0	100%