



REPORT TO ECOSYSTEM PLANNING AND BUDGET USDA FOREST SERVICE, ALASKA REGION

TONGASS NATIONAL FOREST: 2014 SAWMILL CAPACITY AND PRODUCTION REPORT

INTRODUCTION

Since 2000, the United States Forest Service (USFS), Alaska Region Office has conducted an annual key-informant 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, harvested lands, forest products, market destinations, and general business expansion and retention challenges. The *Tongass National Forest: 2014 Sawmill Capacity and Production Report*, summarizes key survey findings, provides limited supplemental discussion, and presents a longitudinal perspective of sawmill performance over the past 14 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, and following harvested public and private lands.

METHODS

The 2014 sawmill survey, covering January to December 2014 timeframe, was conducted during July and August 2015. In contrast to traditional surveys that oftentimes utilize a random sample method to collect input, the USFS Alaska Region implemented a key-informant survey of all Southeast medium to large sawmills operating on a regular basis. Surveys were conducted via onsite or telephone interviews. To allow comparative



longitudinal analysis, the survey instrument and population frame remained consistent from 2000 to 2014 and includes a variety of business profile, sawmill activity, and products and markets questionnaire items (Table 1).

Table 1. Survey Instrument Summary

Business Profile	Sawmill Activity	Primary Products	Other
Business Name, Owner's Name, Location, Sawmill Description, Sawmill Size Classification	Estimated Processing Capacity, Actual Production, Percent Overrun, Percent Underrun	Primary Products, Destination Markets	Log Source, Employment

POPULATION FRAME

The population frame of consistently-operating medium to large sawmills was carefully established during 2000 using criteria that required: 1) regular operation; and 2) medium to large size classification. In 2000, there were 20 sawmills that evolved to 22 sawmills with the subdivision of one sawmill (2007). To maintain longitudinal consistency and comparative value, the annual sawmill survey has only included the original 22 sawmills. Of noteworthy importance, numerous small sawmills that operate on a seasonal, part-time, or contingent basis have operated across the region, each with varying degrees of success. While these sawmills are part of the greater Southeast forest products industry, they are outside the original survey population frame and are subsequently not surveyed and excluded from this report.

Since 2000, 22 medium- to large-scale sawmills have operated across the Tongass National Forest with the greatest concentration located in southern Southeast Alaska (Table 2). Half (50%) of these sawmills have closed since 2000; no new sawmills of equal size classification have been established during the same timeframe. During 2014, ten sawmills (45%) remained active and eleven sawmills (50%) were no longer in production (i.e., decommissioned, uninstalled). One sawmill (5%) remains installed with significant equipment onsite, but remained idle during calendar year 2014.

Table 2. Sawmill Population Frame

Active (10)	Idle (1)	Uninstalled (11)
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	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 Thorne Bay Enterprises



LONGITUDINAL SURVEY RESULTS

For the purposes of this report, “total installed capacity” includes the capacity of ten active sawmills and one idle sawmill (N = 11). 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 2014, installed capacity of Southeast’s 11 sawmills totaled 119,400 thousand board feet (MBF), which is a 1,000 MBF decrease compared to 2013 (Table 3).

Actual sawmill production during 2014 totaled approximately 18,830 MBF, an increase of 1,237 MBF compared to 2013. One sawmill (9%) reported higher production in 2014 totaling approximately 2,000 MBF. In contrast, six sawmills (55%) reported decreased production totaling a loss of approximately 763 MBF. Four sawmills (36%) indicated production from 2013 to 2014 remained the same. 2014 region-wide sawmill utilization, based on total installed capacity of 119,400 MBF, is estimated at only 16 percent. Although 2014 sawmill utilization increased one percent from 2013, Southeast sawmills remain significantly underutilized.

2014 sawmill employment totaled approximately 54 full-time equivalent (FTE) positions including owners, operators, and other employees. Employment decreased by six jobs (-10%) from 2013 to 2014. This is the lowest employment level since inception of the survey.

Table 3. Annual Sawmill Survey Results, Calendar Years 2000 – 2014

	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Installed Sawmill 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	119,400
Estimated Sawmill 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	18,830
Volume NOT Included in Sawmill 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	570
Log Exports	27,522	4,940	17,030	3,088	3,541	2,646	-- c	-- 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	NA
Percent Sawmill Utilization	17%	9%	9%	8%	10%	9%	11%	8%	5%	10%	7%	12%	15%	16%
Employment	321	160	155	148	136	123	158 ^b	94	58	64	56	58	60	54
Total Active Sawmills	19	11	13	13	12	11	14	11	11	10	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.

Note: The annual sawmill capacity and production survey was not conducted during 2001.



SAWMILL OVERVIEW

Table 4. Active, Idle, and Uninstalled Sawmills [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	35
Icy Straits Lumber and Milling Company	Hoonah	Mighty Mite sawmill, horizontal band resaw, log debarker and merchandiser (not installed), dry kiln, planer, moulder	Active	5
Good Faith Lumber Company (formerly Thorne Bay Wood Products)	Thorne Bay	Portable circle sawmill, trim saw, log and lumber decks, dry kiln, planer, moulder	Active	4
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 sawmill, dry kiln, planer, moulder	Active	2
D & L Woodworks	Hoonah	Portable band sawmill and portable circle sawmill	Active	1
Porter Lumber Company	Thorne Bay	Portable circle sawmill, dry kiln	Active	1
Thuja Plicata Lumber	Thorne Bay	Portable circle sawmills, carriage mill with circle saw headrig, shake mill, shingle mill	Active	2
The Mill	Petersburg	Two portable circle sawmills	Active	0.5
Falls Creek Forest Products (formerly Southeast Alaska Wood Products)	Petersburg	Portable circle sawmill, trim saw, log and lumber decks, dry kiln, moulder	Active	0.1
Northern Star Cedar	Thorne Bay	Mighty Mite sawmill	Idle	0
Thorne Bay Enterprises (part of Northern Star Cedar breakup)	Thorne Bay	Portable circle sawmill, log infeed and lumber outfeed decks	Uninstalled	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 sawmill, 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. 2014 Estimated Sawmill Capacity and Actual Production [Includes 10 Active and 1 Idle Sawmills, N = 11]

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	17,000	21%
Icy Straits Lumber and Milling Company	3,000	400	13%
Good Faith Lumber Company	5,500	350	6%
Western Gold Cedar Products	6,500	650	10%
Saint Nick Forest Products	1,150	30	3%
D & L Woodworks	1,750	50	3%
Porter Lumber Company	2,500	40	2%
Thuja Plicata Lumber	7,500	250	3%
The Mill	6,000	50	1%
Falls Creek Forest Products	3,000	10	<1%
Northern Star Cedar	2,500	Idle	NA
Total	119,400	18,830	16%
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 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. 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 ¹	Private Native	Private Other	Import	Total
Viking Lumber Company	15,300	0	1,700	0	0	0	17,000
Icy Straits Lumber and Milling Company	400	0	0	0	0	0	400
Good Faith Lumber Company	175	0	175	0	0	0	350
Western Gold Cedar Products	500	0	0	150	0	0	650
Saint Nick Forest Products	30	0	0	0	0	0	30
D & L Woodworks	50	0	0	0	0	0	50
Porter Lumber Company	40	0	0	0	0	0	40
Thuja Plicata Lumber	245	0	0	5	0	0	250
The Mill	50	0	0	0	0	0	50
Falls Creek Forest Products	10	0	0	0	0	0	10
Total [Scribner Log Scale, MBF]	16,800	0	1,875	155	0	0	18,830
Percent	89%	0%	10%	1%	0%	0%	100%

¹ Source: State of Alaska, Department of Natural Resources, Division of Forestry

Table 6b. Processed Log Sources, Volume Not Included¹ in Actual Sawmill Production [Scribner Log Scale, MBF]

Sawmill	National Forest	Other Federal	State Forest ²	Private Native	Private Other	Import	Total
Total [Scribner Log Scale, MBF]	520	0	50	0	0	0	570
Percent	91%	0%	9%	0%	0%	0%	100%

¹ 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 independently 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 residues and byproducts are not included in this category.

² Source: State of Alaska, Department of Natural Resources, Division of Forestry



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 Sawmill Production
Viking Lumber Company	7,000	7,000	3,000	0	0	17,000
Icy Straits Lumber and Milling Company	125	175	0	100	0	400
Good Faith Lumber Company	60	90	170	30	0	350
Western Gold Cedar Products	0	0	650	0	0	650
Saint Nick Forest Products	0	12	18	0	0	30
D & L Woodworks	20	5	0	25	0	50
Porter Lumber Company	20	0	20	0	0	40
Thuja Plicata Lumber	0	0	240	10	0	250
The Mill	5	40	5	0	0	50
Falls Creek Forest Products	5	5	0	0	0	10
Total [Scribner Log Scale, MBF]	7,235	7,327	4,103	165	0	18,830
Percent	38%	39%	22%	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 Sawmill Production
Total [Scribner Log Scale, MBF]	51	459	0	0	60	570
Percent	9%	80%	0%	0%	11%	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 Sawmill Production
Viking Lumber Company	5,000	5,000	7,000	0	17,000
Icy Straits Lumber and Milling Company	90	165	145	0	400
Good Faith Lumber Company	220	87	43	0	350
Western Gold Cedar Products	0	0	0	650	650
Saint Nick Forest Products	17	13	0	0	30
D & L Woodworks	50	0	0	0	50
Porter Lumber Company	0	0	40	0	40
Thuja Plicata Lumber	200	50	0	0	250
The Mill	10	0	40	0	50
Falls Creek Forest Products	10	0	0	0	10
Total [Scribner Log Scale, MBF]	5,597	5,315	7,268	650	18,830
Percent	30%	28%	39%	3%	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 Sawmill Production
Viking Lumber Company	0	10,000	0	7,000	0	17,000
Icy Straits Lumber and Milling Company	360	40	0	0	0	400
Good Faith Lumber Company	350	0	0	0	0	350
Western Gold Cedar Products	0	650	0	0	0	650
Saint Nick Forest Products	30	0	0	0	0	30
D & L Woodworks	50	0	0	0	0	50
Porter Lumber Company	0	40	0	0	0	40
Thuja Plicata Lumber	250	0	0	0	0	250
The Mill	50	0	0	0	0	50
Falls Creek Forest Products	10	0	0	0	0	10
Total [Scribner Log Scale, MBF]	1,100	10,730	0	7,000	0	18,830
Percent	6%	57%	0%	37%	0%	100%

Table 10a. Product Destination, Volume Not Included in Actual Sawmill Production [Scribner Log Scale, MBF]

Sawmill	Alaska	Continental United States	Canada	Pacific Rim	Other	Total Sawmill Production
Total [Scribner Log Scale, MBF]	70	0	500	0	0	570
Percent	12%	0%	88%	0%	0%	100%