Alaska’s Forest Products Industry, 2005

Jeff M. Halbrook, Al L. Chase, Todd A. Morgan, Charles E. Keegan III

Introduction

This 2005 study of Alaska timber processors represents a cooperative effort between The University of Montana’s Bureau of Business and Economic Research (BBER) and the Pacific Northwest Forest Inventory and Analysis (PNW-FIA) Program. The study is based on a census of primary forest product manufacturers located in Alaska. Through a written questionnaire or phone interview, manufacturers provided the following information for each of their plants for calendar year 2005:

-Shift and annual production capacity and employment
-Volume of raw material received by area and ownership
-Species of timber received and live/dead proportions
-Finished product volumes, sales value, and market locations
-Utilization and marketing of manufacturing residue

Harvest By Owner

During calendar year 2005, 268.3 MMBF (Scrubner) was harvested in Alaska (Table 1). About 83% of the harvest was exported as logs or chips. Sawlogs were the leading product utilized in-state. Most (80 percent) of this harvest came from private lands. These private lands are predominantly owned by native corporations in Alaska. National forests accounted for 18 percent, and other public lands (State, BLM, Borough, University, & Mental Health) accounted for the remaining 22 percent of the 2005 harvest.

<table>
<thead>
<tr>
<th>Ownership class</th>
<th>Harvest 2005: MMBF</th>
<th>2005 timber residues: MMBF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>252,008</td>
<td>2,067</td>
</tr>
<tr>
<td>National Forest</td>
<td>46,670</td>
<td>29</td>
</tr>
<tr>
<td>State &amp; other public</td>
<td>1,120</td>
<td>123</td>
</tr>
<tr>
<td>All owners</td>
<td>268,694</td>
<td>2,390</td>
</tr>
</tbody>
</table>

Table 1: Alaska timber harvest by ownership classes and timber product, 2005

Harvest By Species

Silka spruce was the predominant species harvested during 2005, accounting for 126.8 MMBF (47%) of the harvest. Western hemlock was the second most harvested species with 77.5 MMBF (29%), followed by paper birch (7%), white spruce (6%), western redcedar (6%), Alaska-yellow cedar (4%), and other species representing <1% of the harvested volume.

Mill Residue Production

The 2005 census gathered information on volumes and uses of mill residue. All mills reported, on a percentage basis, how their residue was used. The largest use of residue (47%) was for pulp chips, another 26% was used for fuel, while 21% went unused.

<table>
<thead>
<tr>
<th>Type of residue</th>
<th>Bone dry units (BDU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulp</td>
<td>2,400</td>
</tr>
<tr>
<td>Fuel</td>
<td>2,400</td>
</tr>
<tr>
<td>Other uses</td>
<td>2,000</td>
</tr>
</tbody>
</table>

Table 2: Production and disposition of mill residue from Alaska’s forest products industry for 2005

Harvest & Industry Trends

Alaskan timber harvest levels are the lowest since the 1950s. Harvest peaked in the early 1990s due to increases on private, primarily native corporation, lands. Harvest on private lands declined since the early 1990s due to Asian markets conditions, and landowner choices.

National Forest harvest levels are near 60-year lows. Sharp declines since 1990 are due to a combination of changing market conditions, losses in industry infrastructure, and legal and regulatory changes affecting Tongass National Forest timber offerings.

Log exports continue to be a major product from Alaska. Exports of lumber have declined substantially, and sawmills are focusing more on local, regional, and specialty markets.

Additional Information

Additional information about the BBER, including reports on forest products industries in other states is available at our web site: http://www.bber.montana.edu/harvestproducts

Individual firm-level data are confidential and will not be released.

References