

Alaska's Forest Industry: Timber Harvest and Recent Trends

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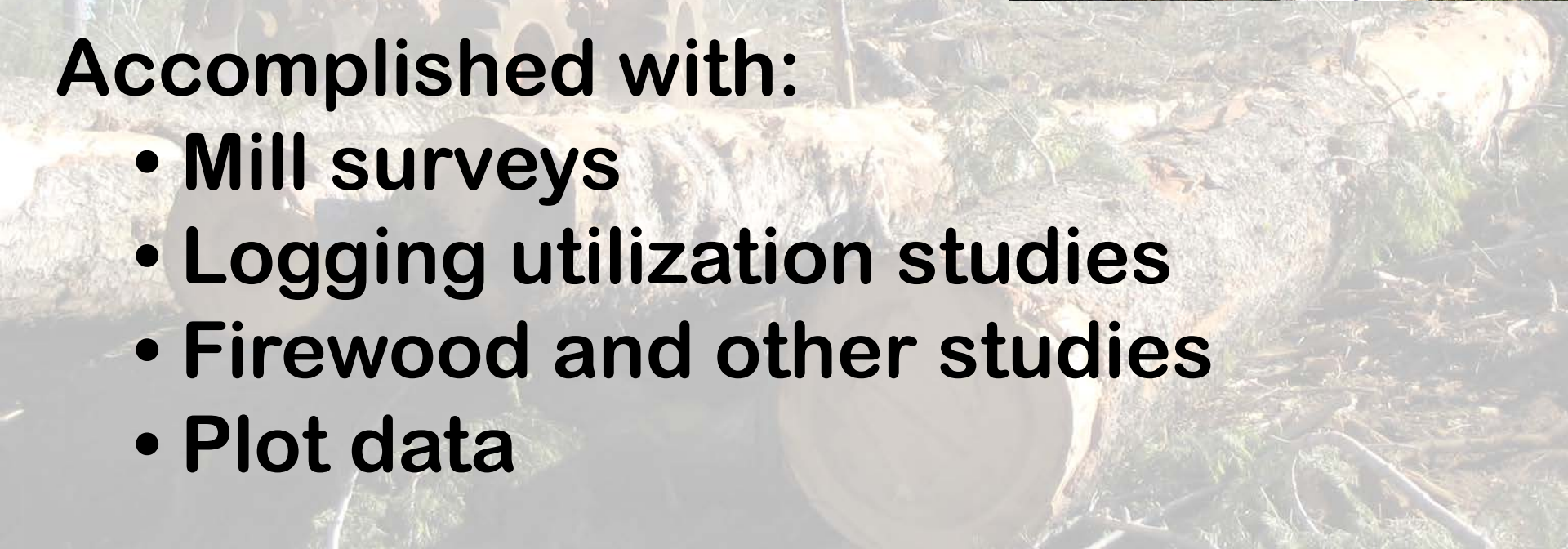
**Bureau of Business & Economic Research
University of Montana**

What is Timber Products Output (TPO)?

Part of FIA that provides information on wood use

Accomplished with:

- Mill surveys
- Logging utilization studies
- Firewood and other studies
- Plot data



Why is TPO important?



Timber products and logging residues are “components of change.”

Accurate accounting of total removals and wood utilization relies on TPO data from mill and field studies.

TPO information is not duplicated within FIA.

- **Removals for timber products are only partially captured by plot data.**
- **Info on timber processors, logging residue, and mill residue are not captured at all by plot data.**

TPO in the West

BBER = Bureau of Business & Economic Research

- Complete census of timber processors
- Logging utilization studies
- Data, analysis, & publications

Timber Harvest and Industry Reports

Alaska 2005, 2011

California, Idaho 2000, 2006, 2011

Nevada, Wyoming 2005, 2010

Montana 2004, 2009

Oregon 2003, 2008

Arizona, Colorado, New Mexico, Utah 2002, 2007, 2012



United States
Department of
Agriculture
Forest Service
Pacific Northwest
Research Station
General Technical
Report
PNW-GTR-767
April 2009

Alaska's Timber Harvest and Forest Products Industry, 2005

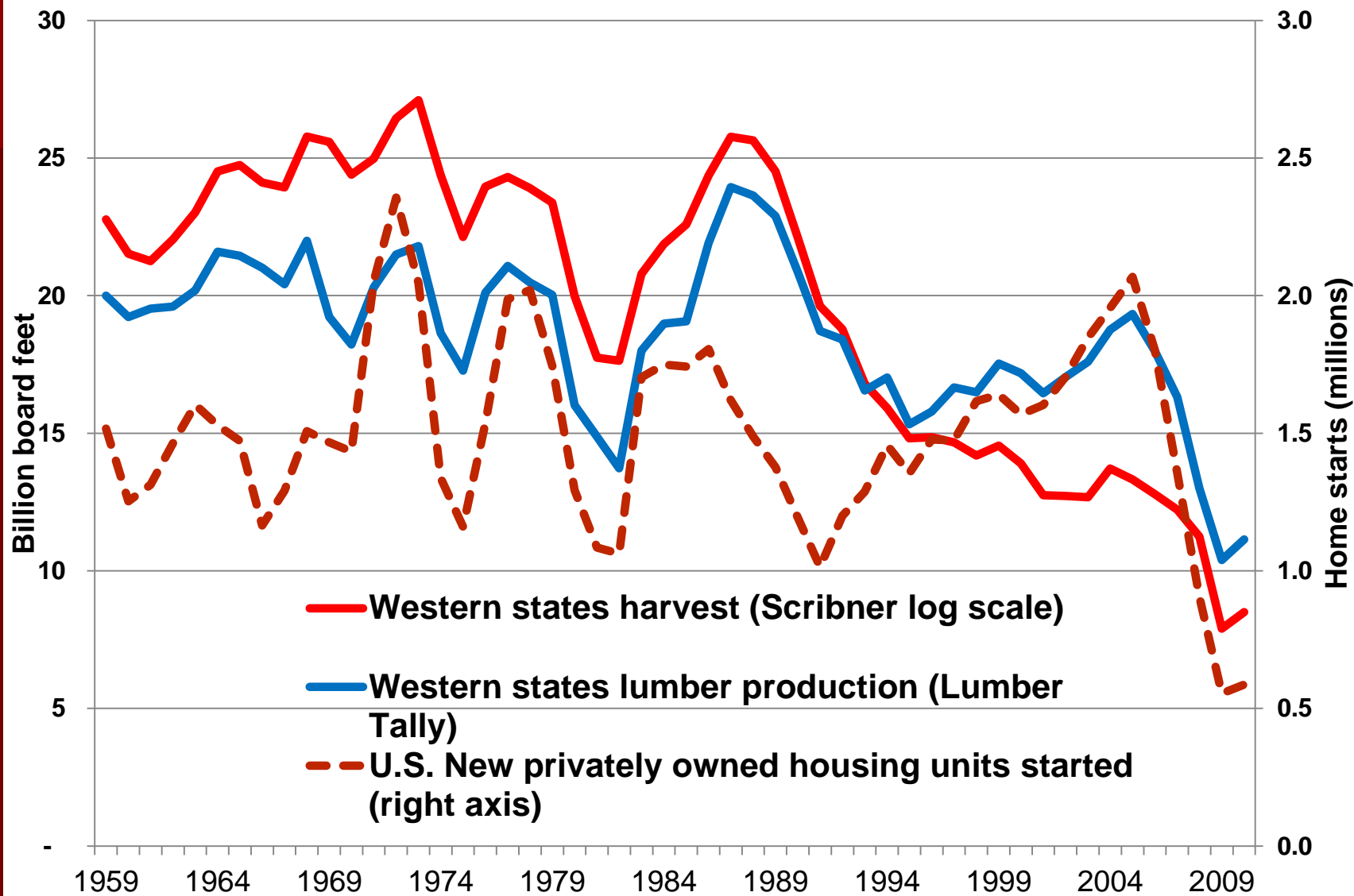
Jeff M. Halbrook, Todd A. Morgan, Jason P. Brandt,
Charles E. Keegan III, Thale Dillon, and Tara M. Barrett



Forest Industry Analysis

- **Western States**
- **Describe industry structure, capacity, condition, and changes**
- **Track wood fiber from forest to marketplace**
- **Associate key economic indicators**

Background for the 2011 Alaska census: the "Great Recession"



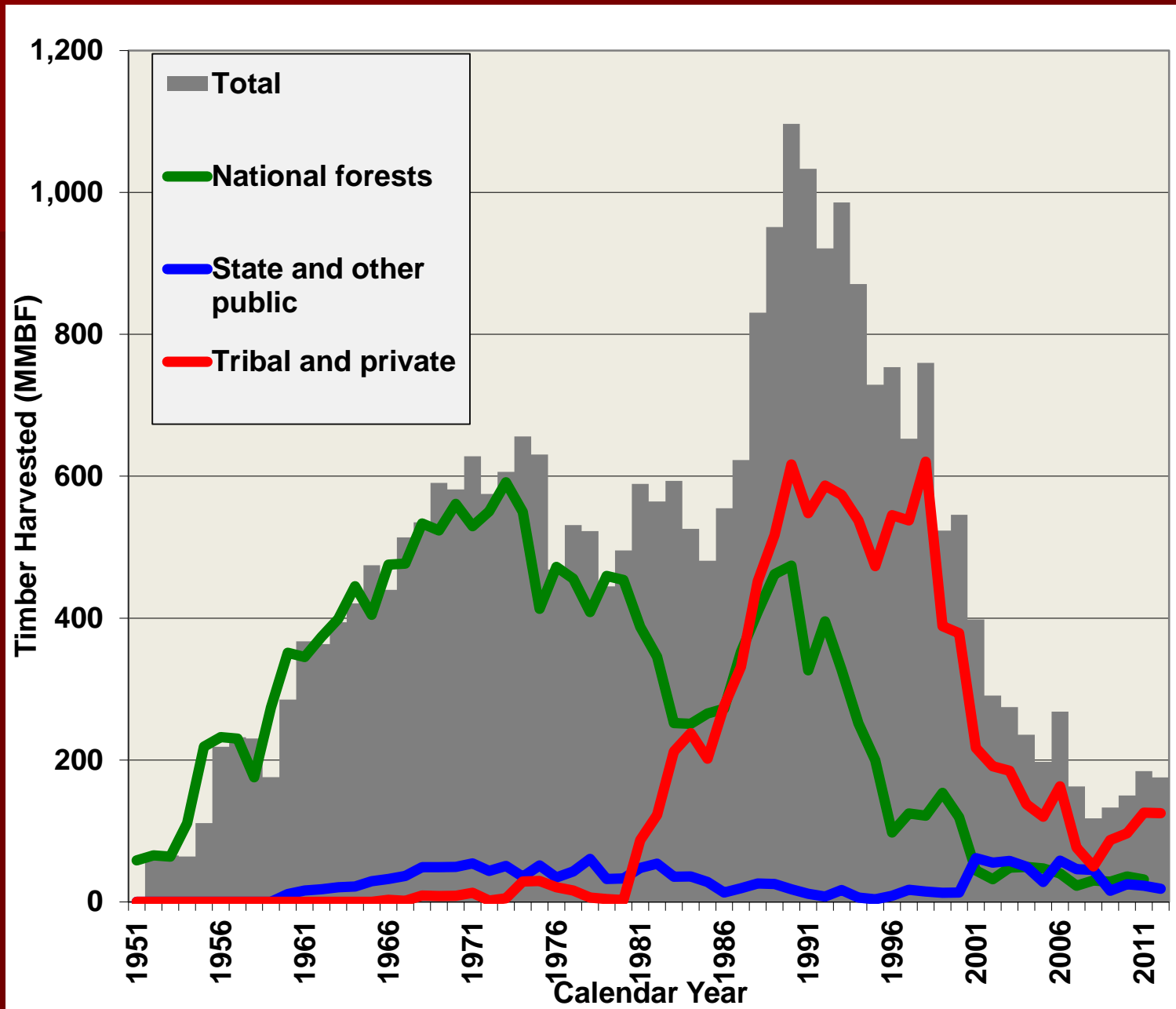
(from Keegan et al. 2012)

2011 Alaska Forest Industry Census (not a sample!)



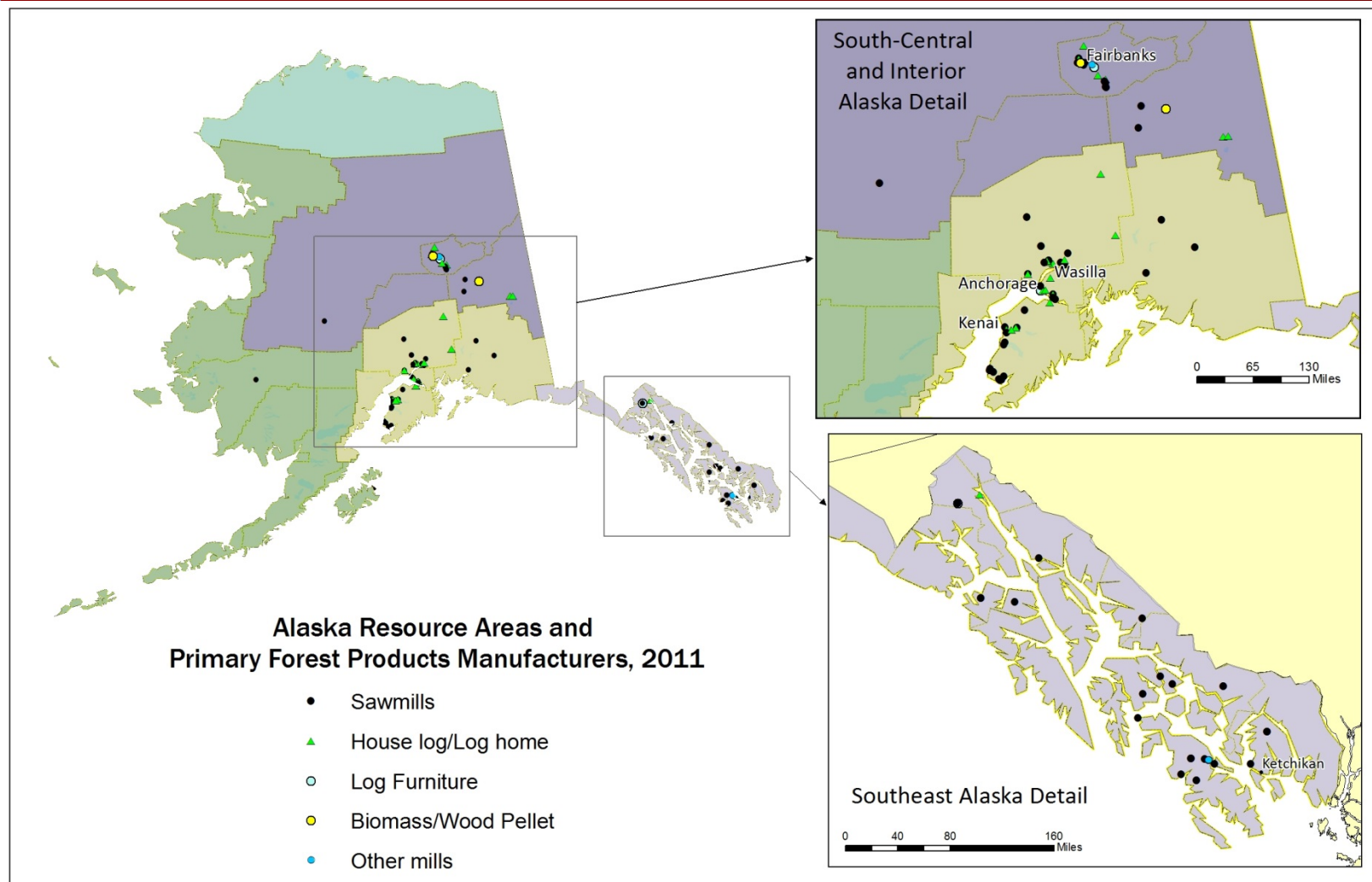
- Primary Production, not secondary!
- Mill type, capacity, equipment, employment
- Timber harvest volume, use, species, county, & ownership
- Mill residue & wood fiber use
- Product volume, sales, & geographic distribution

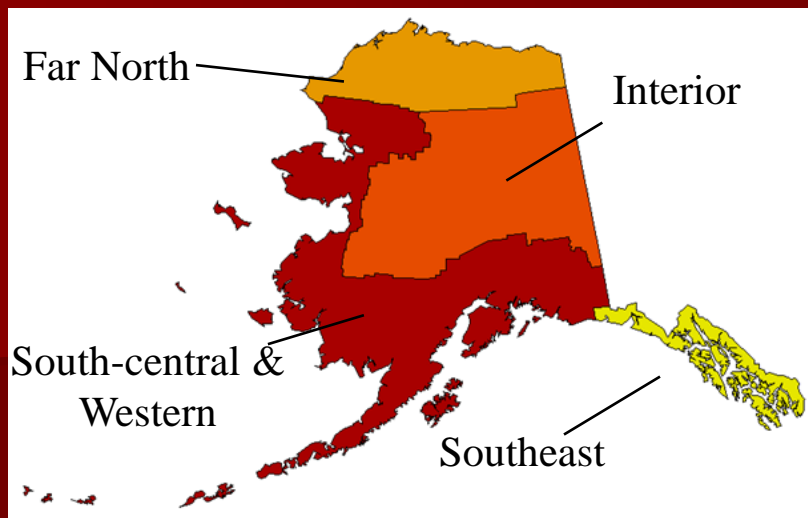
Alaska's timber harvest by ownership



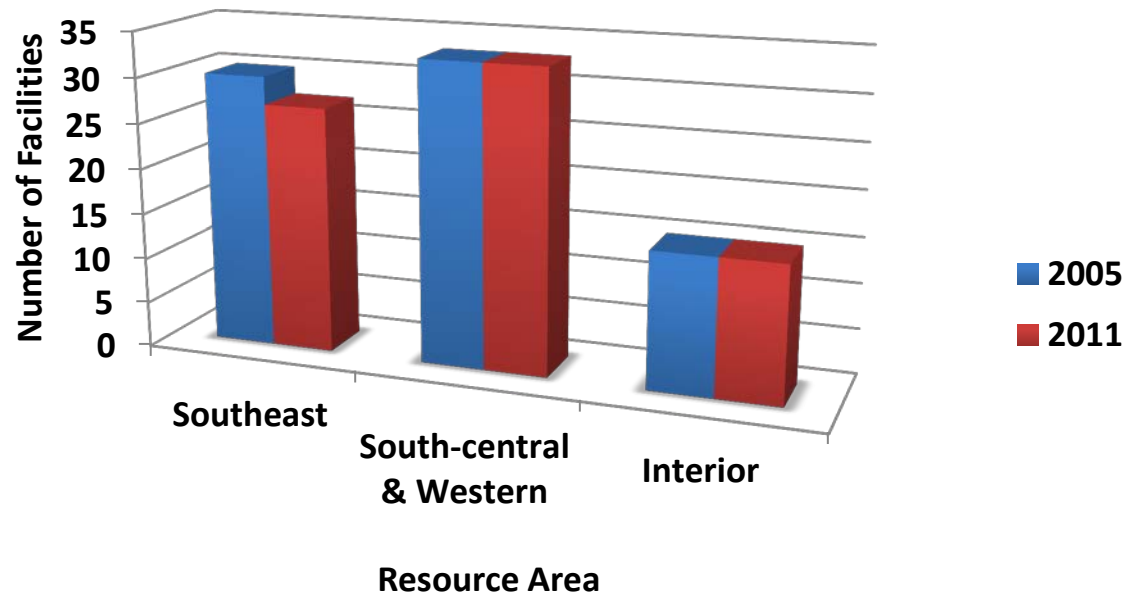
(Data from Zhou and Warren 2012)

Alaska **active** timber processing mills



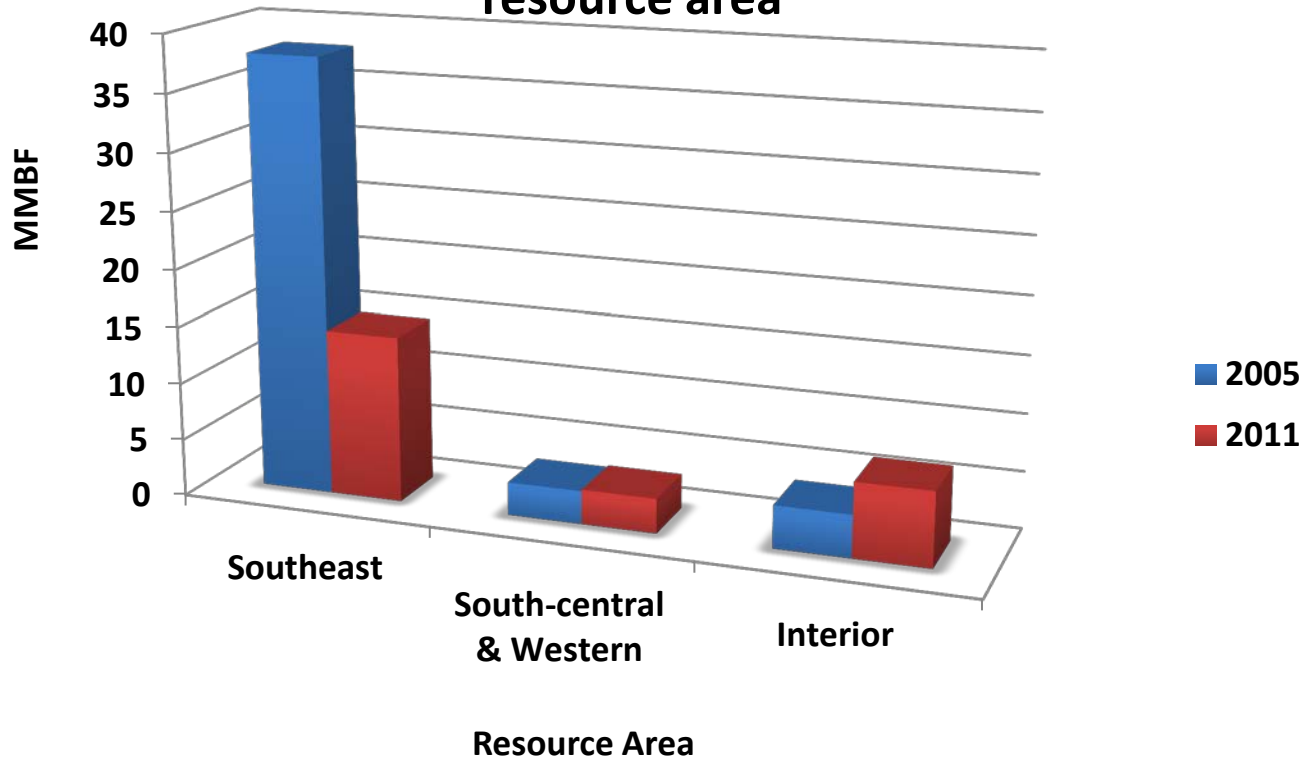


Number of **active** timber processing mills by resource area

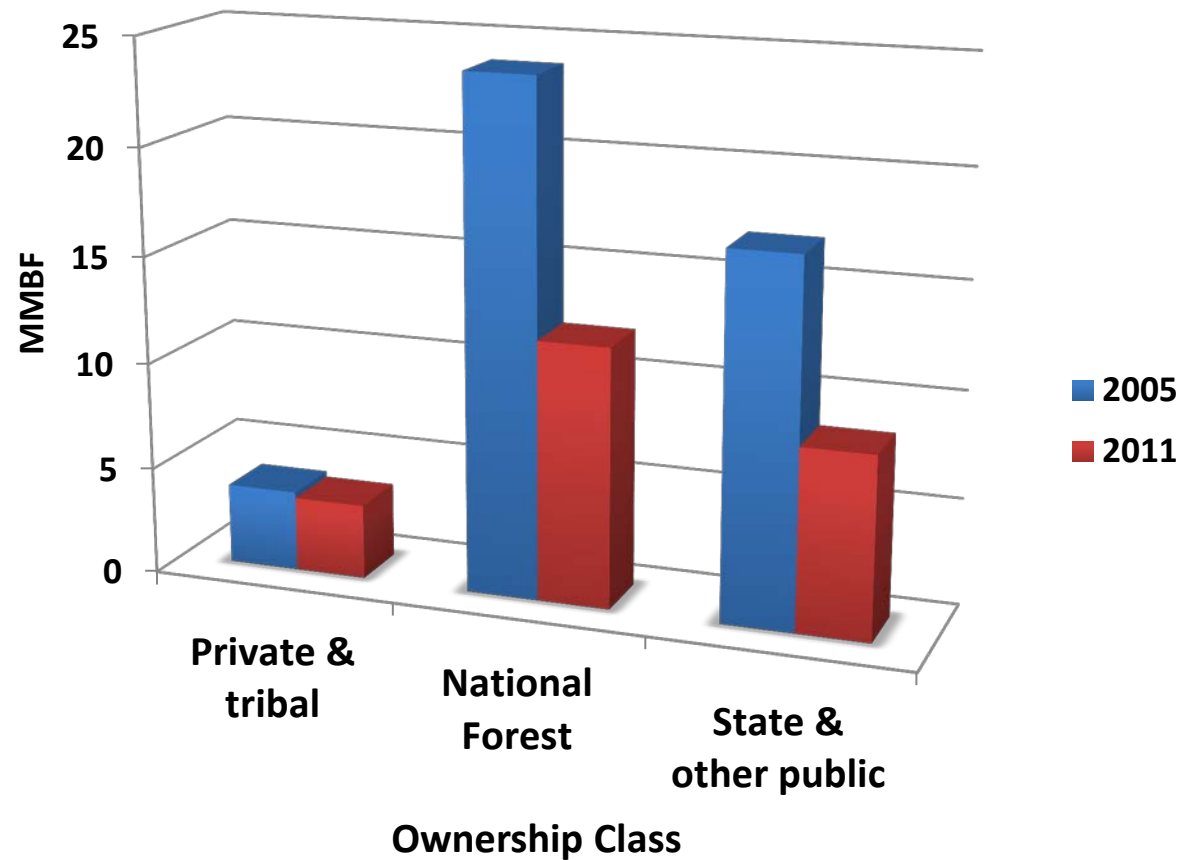


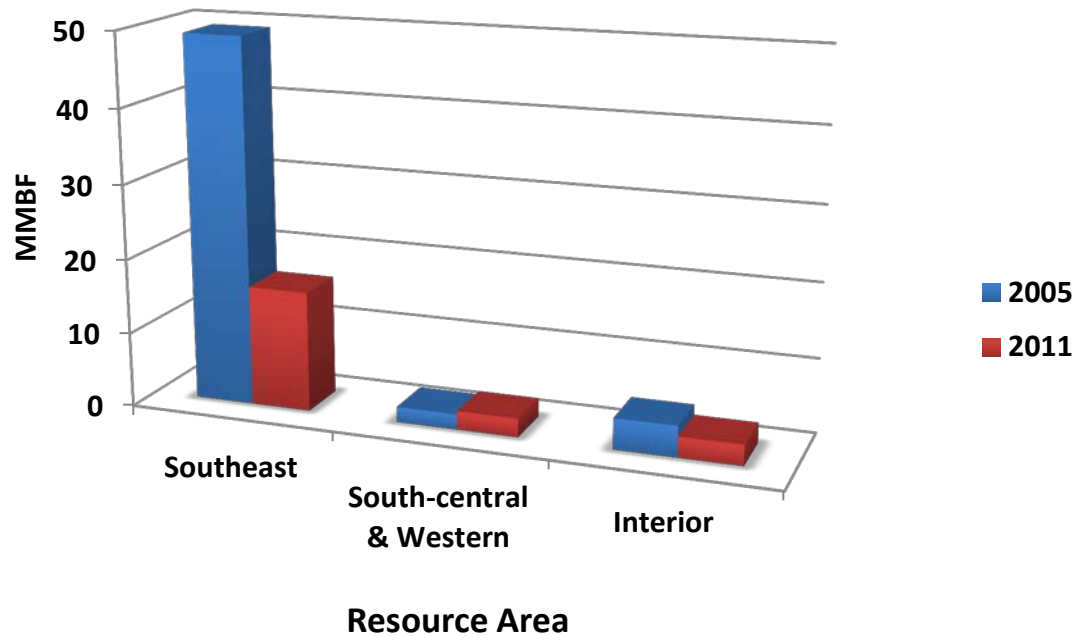
- 37 mills were inactive in 2011.
- 12 active mills closed between 2005 and 2011.
- 17 active mills were mothballed (inactive).

Timber volume received by primary mills by resource area

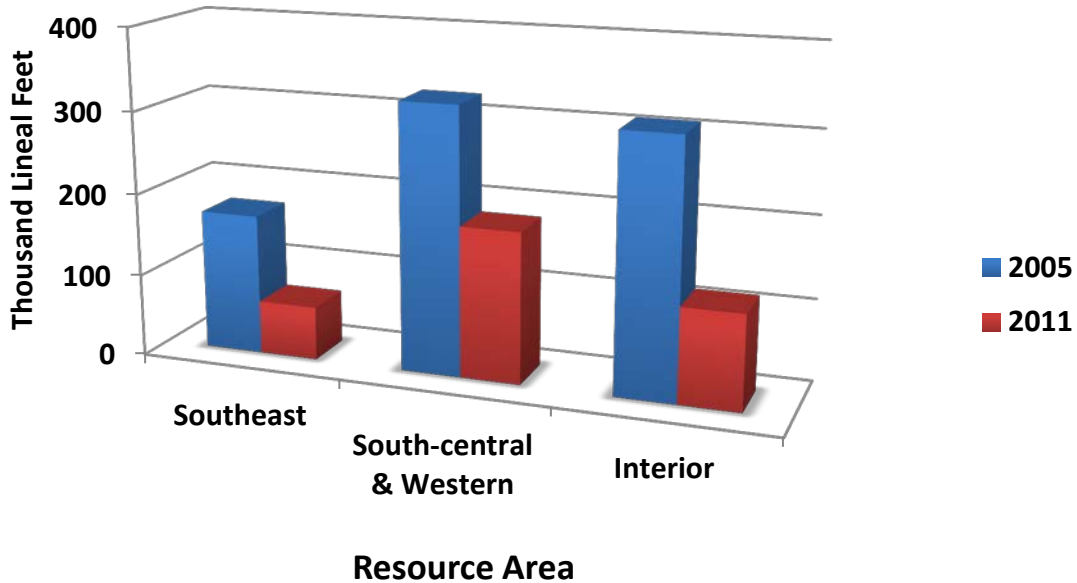


Timber volume received by **primary** Alaskan facilities, by ownership origin (log export facilities not included)



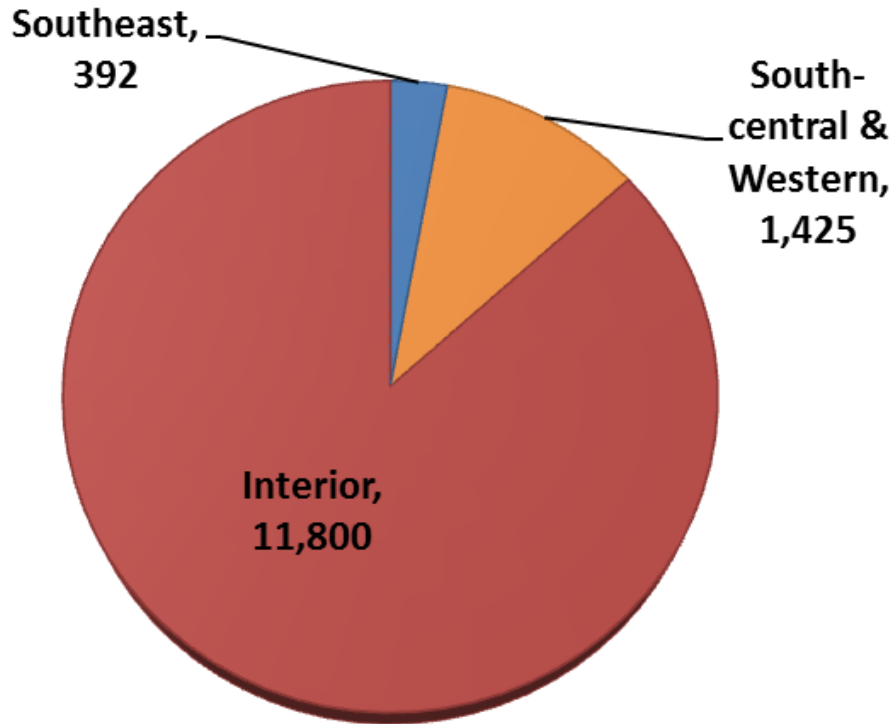


Alaskan 2011 **lumber & sawn** products production by resource area



Alaskan 2011 **house log** production by resource area

Wood for energy: 2011 mill residues (in BDUs) used for energy by resource area



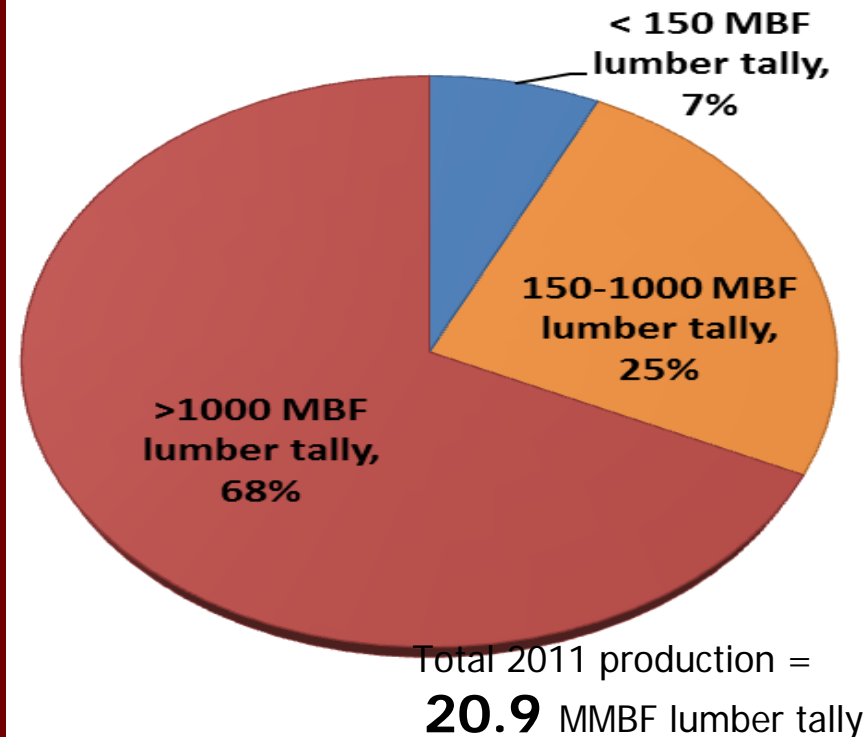
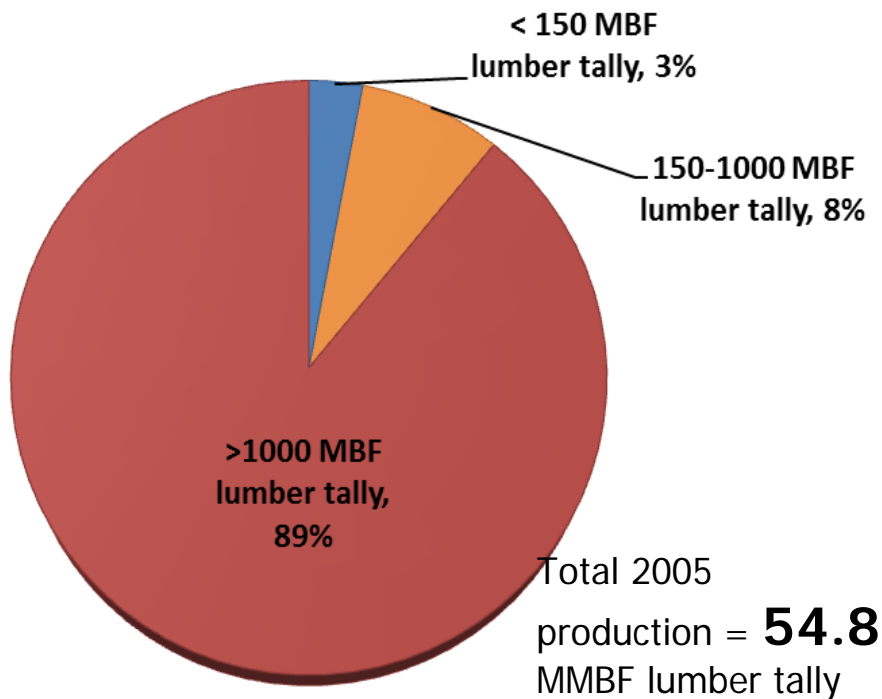
- In 2011 **27%** of mill coarse residues were used for fuel, compared to **11%** in 2005.
- In 2011 firewood sales made up **15%** of all AK wood product sales.

Sawmill production by capacity size class



2005

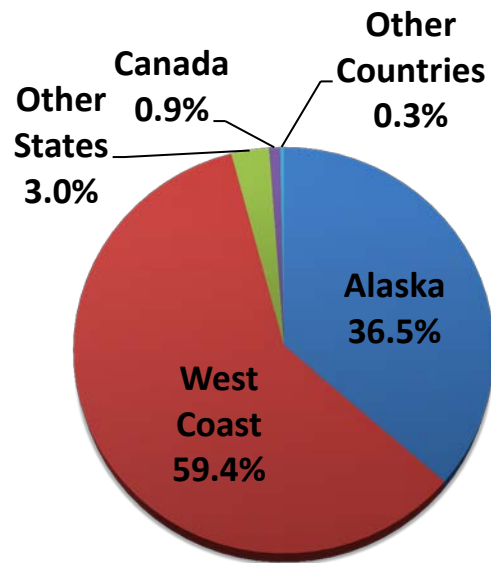
2011



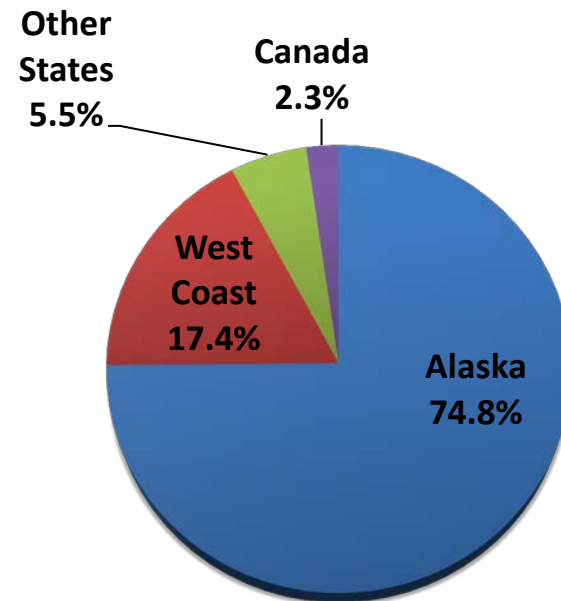
Note: In 2005 Alaskan mills operated at 21.4 % of total capacity, compared to 15 % in 2011.

Destinations of Alaska's **primary** wood products & residue: % sales value (2011 \$)

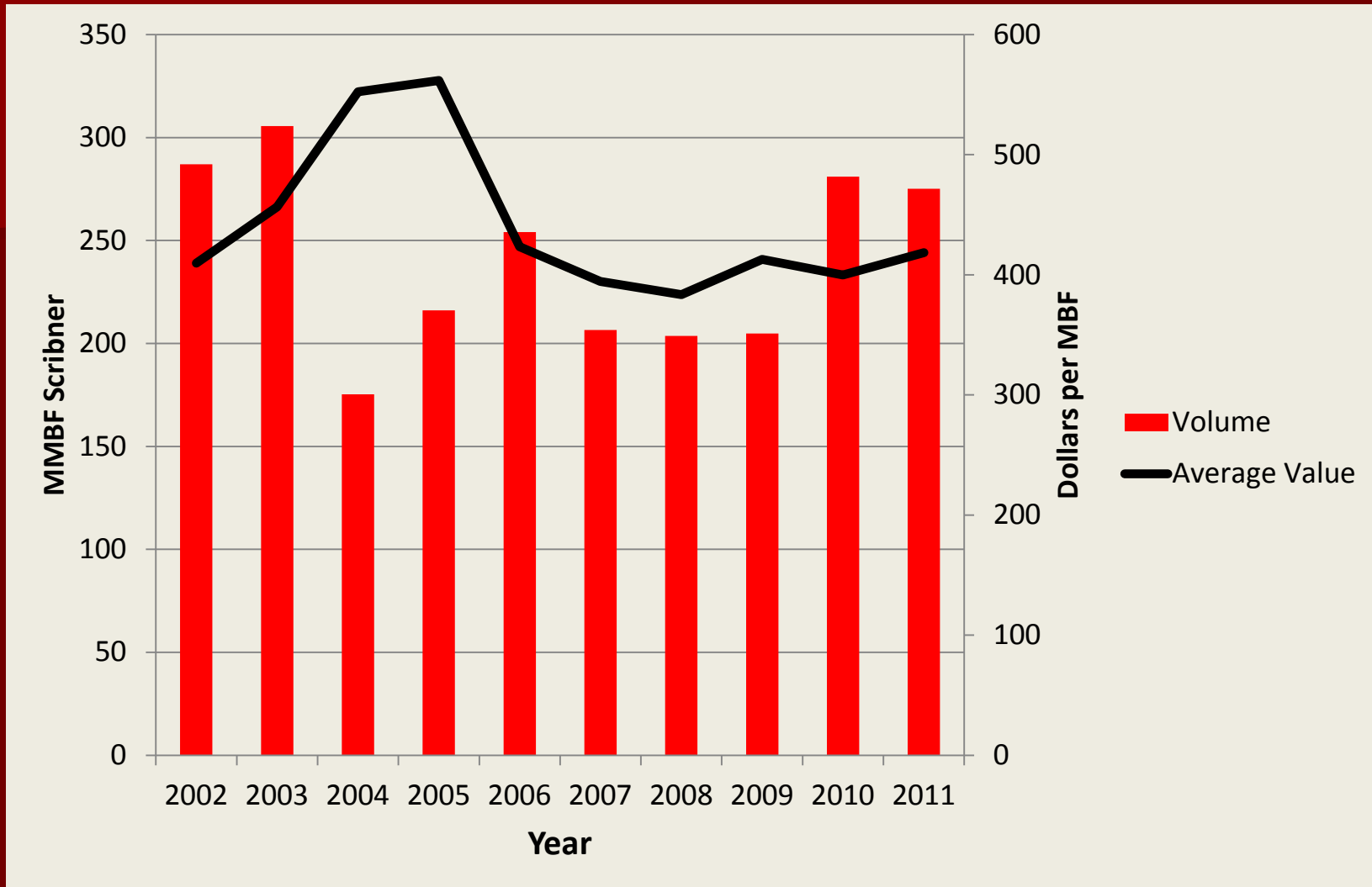
2005



2011



2002-2011 Alaska log exports

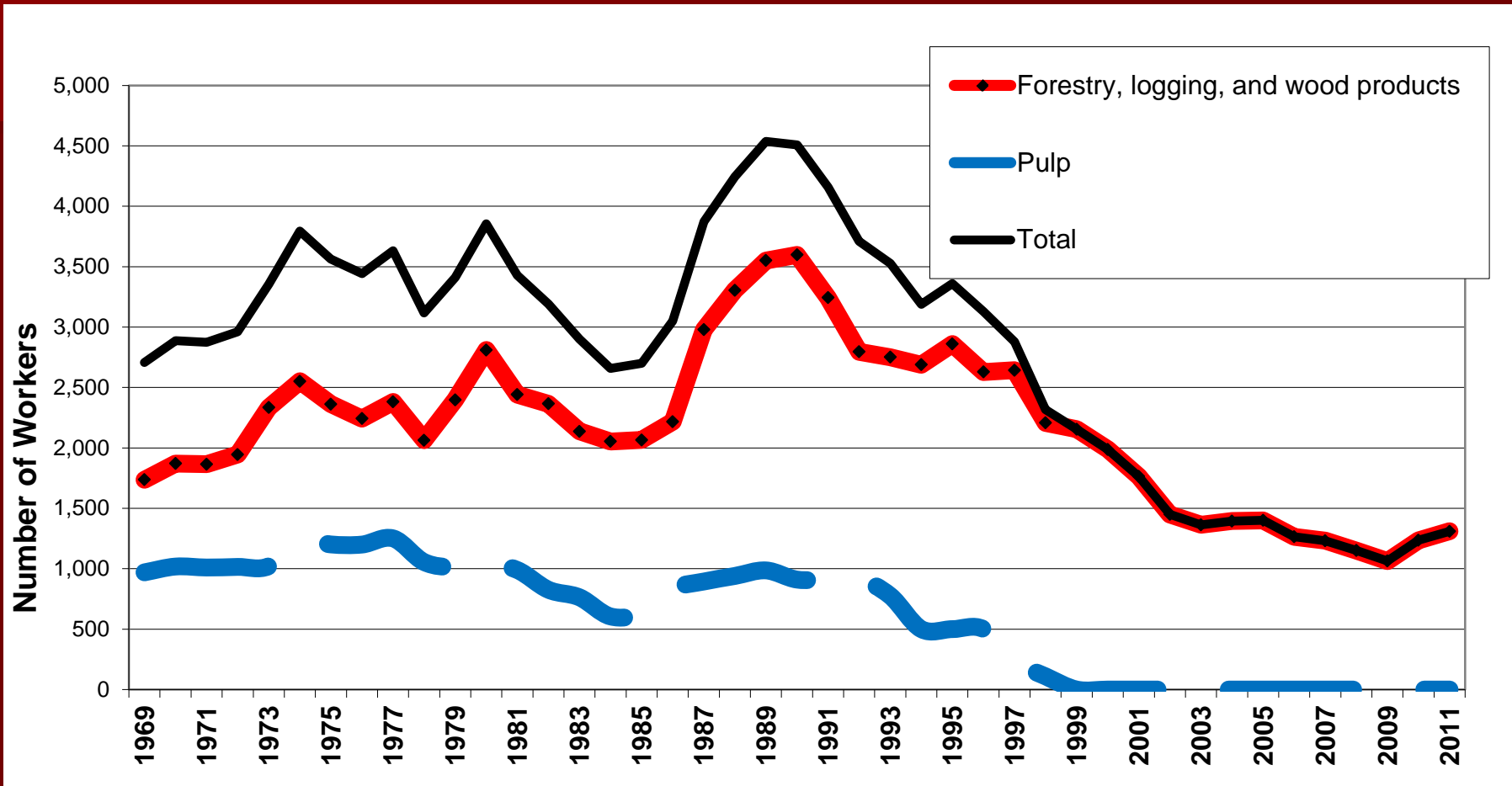


(Source: S. Alexander 2012)

Note: In 2011 log exports represented 88% of total sales value, compared to 76% in 2005.

Primary employment - Alaska's forest products industry 1969-2011

(U.S. Department of Commerce 2012; S. Alexander 2012; BBER estimated data)



Note: Total Alaska active mill FTE employment from 2011 census = 150.

In Summary: 2005 vs. 2011

- Total number of active facilities changed little, but many were mothballed or closed completely.
- Timber volume received and lumber and houselog production declined +/- 50%.
- Wood for fuel: Large increases in Interior demand and sales.
- Mill capacity utilization: Down to 15% in 2011! Potential for substantial increases in production.
- Log Exports: Large increases- huge ramp-up in Asian demand, particularly for lower quality logs.

Special thanks:

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Juneau Economic Development Council

Alaska Dept. of Nat. Resources Division of Forestry- many indiv

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