



# **The Wood Products Industry in Southeast Alaska**

**Western Forest Economists 2008**

**Susan J. Alexander**

**US Forest Service Alaska Region**

**The economy of Southeast Alaska, like the rest of Alaska, is closely tied to tourism and resource-dependent industries.**

For the past decade in Southeast Alaska, job losses have followed job growth, with no momentum developing in either direction.

Most communities have experienced population declines.



Viking Lumber Co., Craig AK

Photo by Susan Alexander

## Timber harvests and employment have declined considerably since the 1990s.



W.R. Jones and Son, Craig AK

photo by Susan Alexander

About three-quarters of sawn material is shipped to domestic markets.

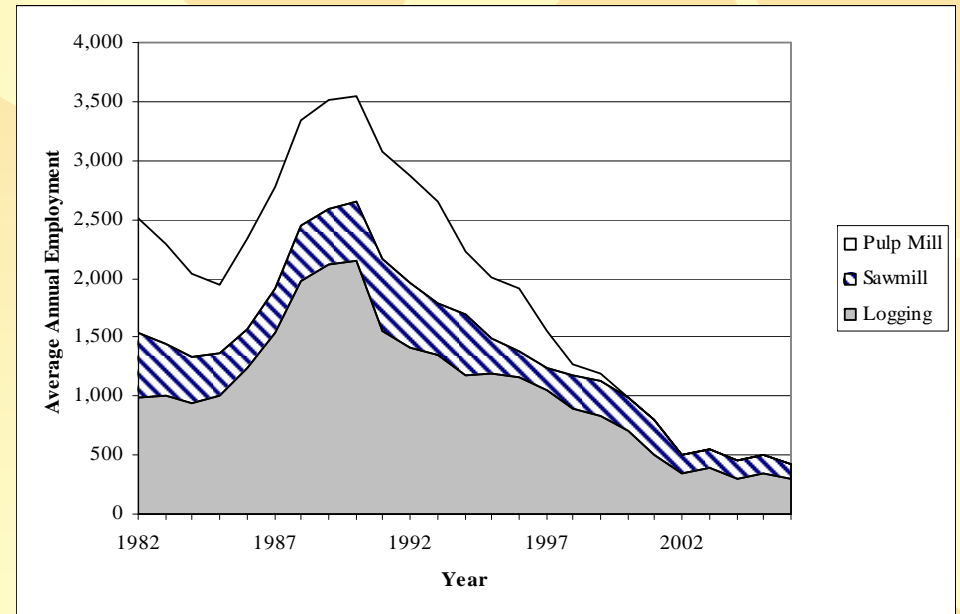
Markets for whole logs are still primarily overseas, and most of the supply is from State and Native Corporation lands.

# Total timber sector employment has stabilized at about 450 to 500 positions in the past 5 years.

The last Forest Service long-term lease sale volume was harvested in 2000.

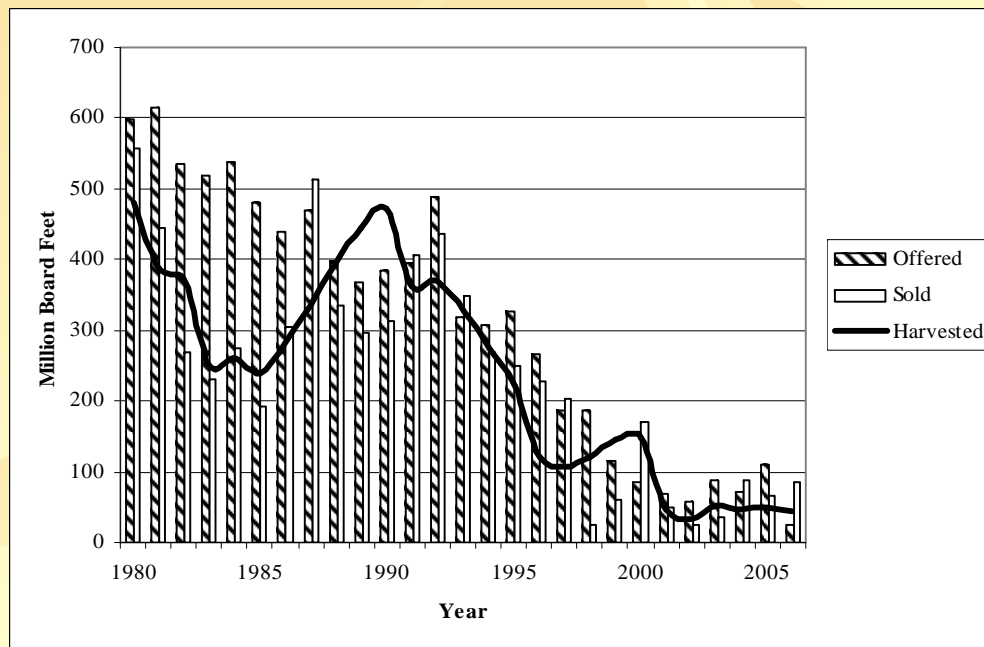
Sawmill employment depends largely on volume from Federal and State timber harvests.

Southeast Alaska Wood Products Employment, 1982-2006.



## Timber harvests on the Tongass also show some stabilization over the past few years.

Volumes of timber offered, sold and harvested from the Tongass National Forest, 1980-2006 (Fiscal Years, MMBF).



The USFS Alaska Region uses a residual value appraisal method, so stumpage price is sensitive to mill and transportation costs, which are often relatively high in Alaska. In poor market years these costs relative to final market value can affect offer levels.



## Destination of sawn wood from SE AK

Year	Alaska (%)	Other US (%)	Canada (%)	Other Foreign (%)	Total (MBF log scale)
2000	9	62	4	24	87,116
2002	5	78	1	16	39,701
2003	5	77	1	16	32,005
2004	5	63	19	13	31,027
2005	7	75	2	16	34,665
2006	11	72	1	16	32,141

## Sawn wood products exports from Alaska, different reporting sources

Year	SE Sawmills reported foreign exports, MBF	ITC HTS data on exports from the Alaska CD, MBF
2000	32,102	3,609
2002	9,116	85
2003	7,353	1,217
2004	13,009	1,825
2005	7,991	2,669
2006	7,127	2,166

## Regional Alaska Timber Harvest 2000-2006, MMBF

		2000	2001	2002	2003	2004	2005	2006
SE	TNF	147	48	34	51	46	49	43
	State	60	53	57	35	24	43	45
	NC	161	120	102	106	99	104	71
SC	State	2	2	>1	15	4	3	>1
	NC	56	71	83	32	21	16	3



# Sawmills in Alaska get wood from various sources.

In southeast Alaska, State and Federal lands are the primary sources of local sawmill supply.

The Forest Service is required under the Tongass Timber Reform Act to “seek to meet” market demand. Describing this demand is an ongoing process.



Pacific Log & Lumber, Ketchikan AK

Photo by Susan Alexander