

# Industry Challenges and Mill Closures

Oregon Society of American Foresters

May 2024

Steve Courtney



# Overview

- Six mills closed in Oregon in the last nine months.
- Why aren't mills able to be profitable
- What does it mean for forest management



# Mill Closures

## Oregon sawmill closes after decades, company says possible new state policy is to blame

Hampton Lumber said they closed the Banks sawmill due to a proposed habitat conservation policy proposal. It would limit how much timber can be harvested.

## Rosboro timber company temporarily closes Springfield mill and lays off 25



[Zach Urness](#)

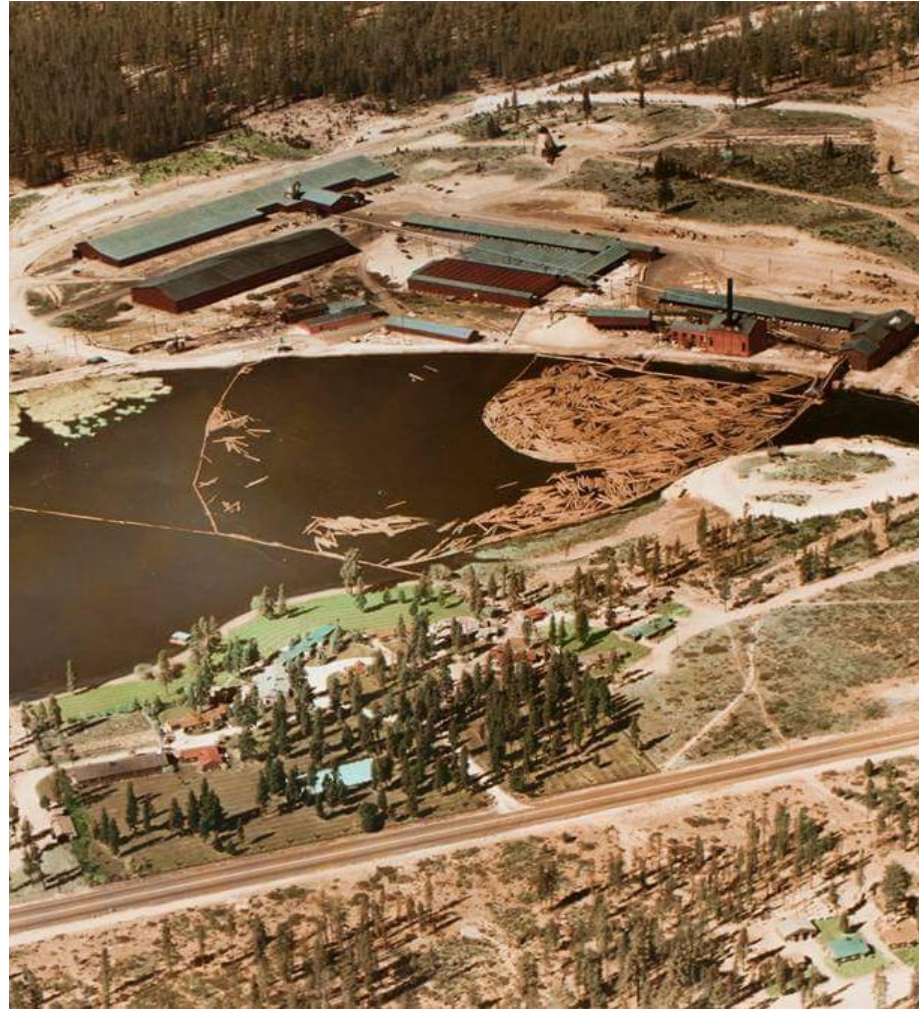
Salem Statesman Journal

## Major Philomath sawmill employer shutting down operations, leaving dozens without jobs

C&D Lumber Co. is latest Oregon mill shutting down, will lay off 93 in Riddle

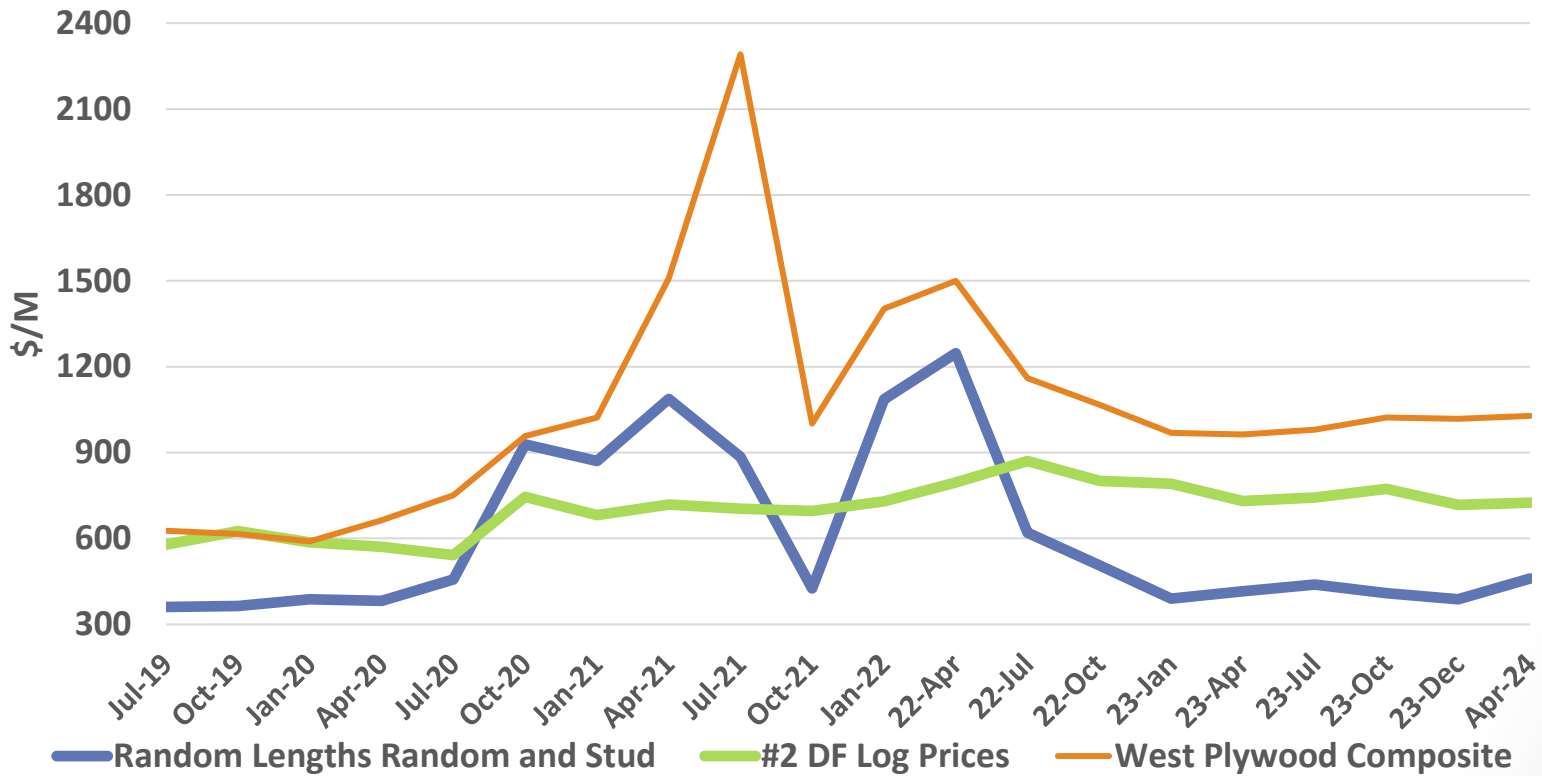
# Top Issues for NW Mills

- **Product Markets**
- **Labor**
- **Cost of Manufacturing**
- **Residual Markets**
- **Log Supply**



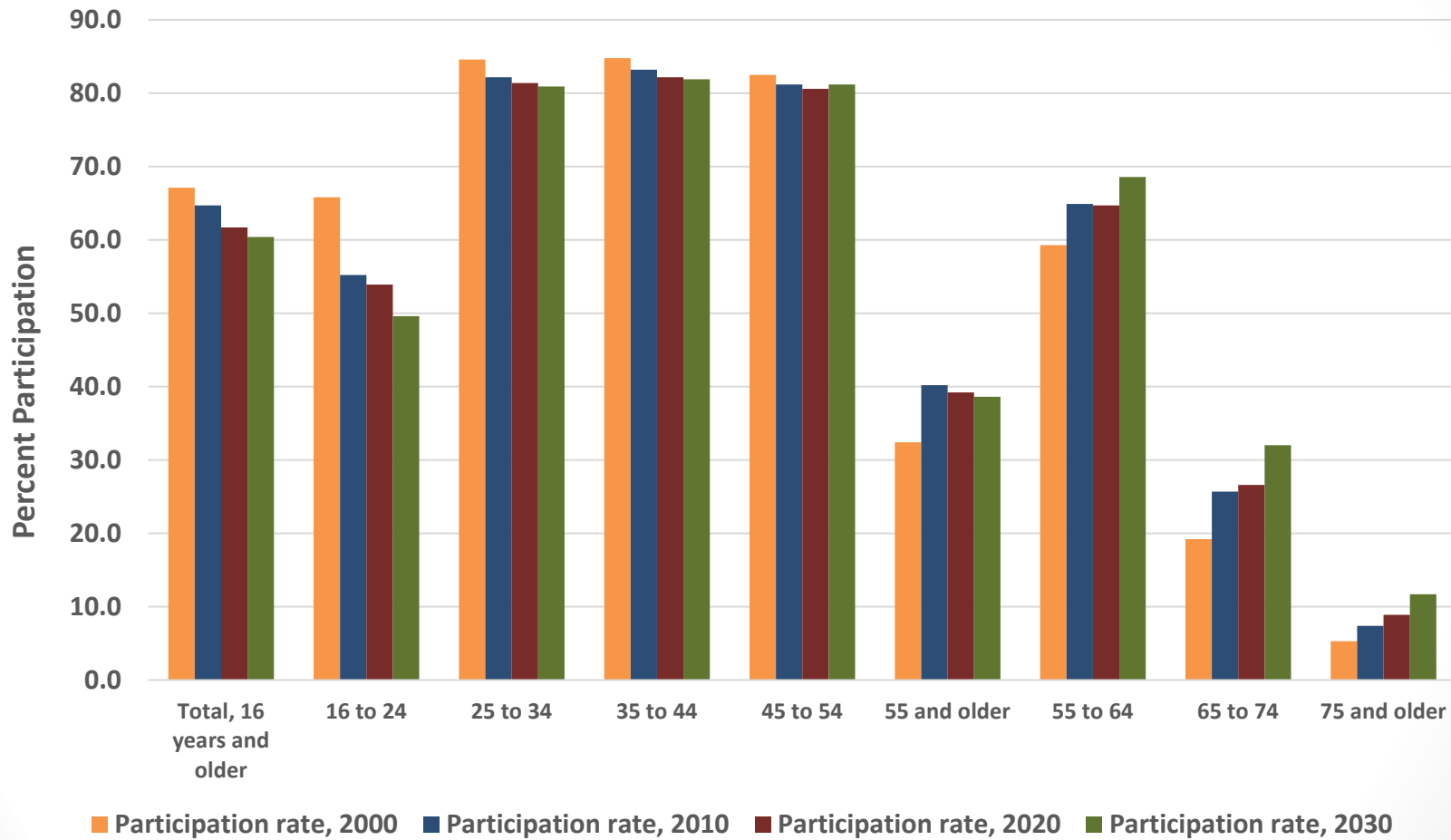
# Markets

## Northwest Lumber, Plywood, and Log Markets



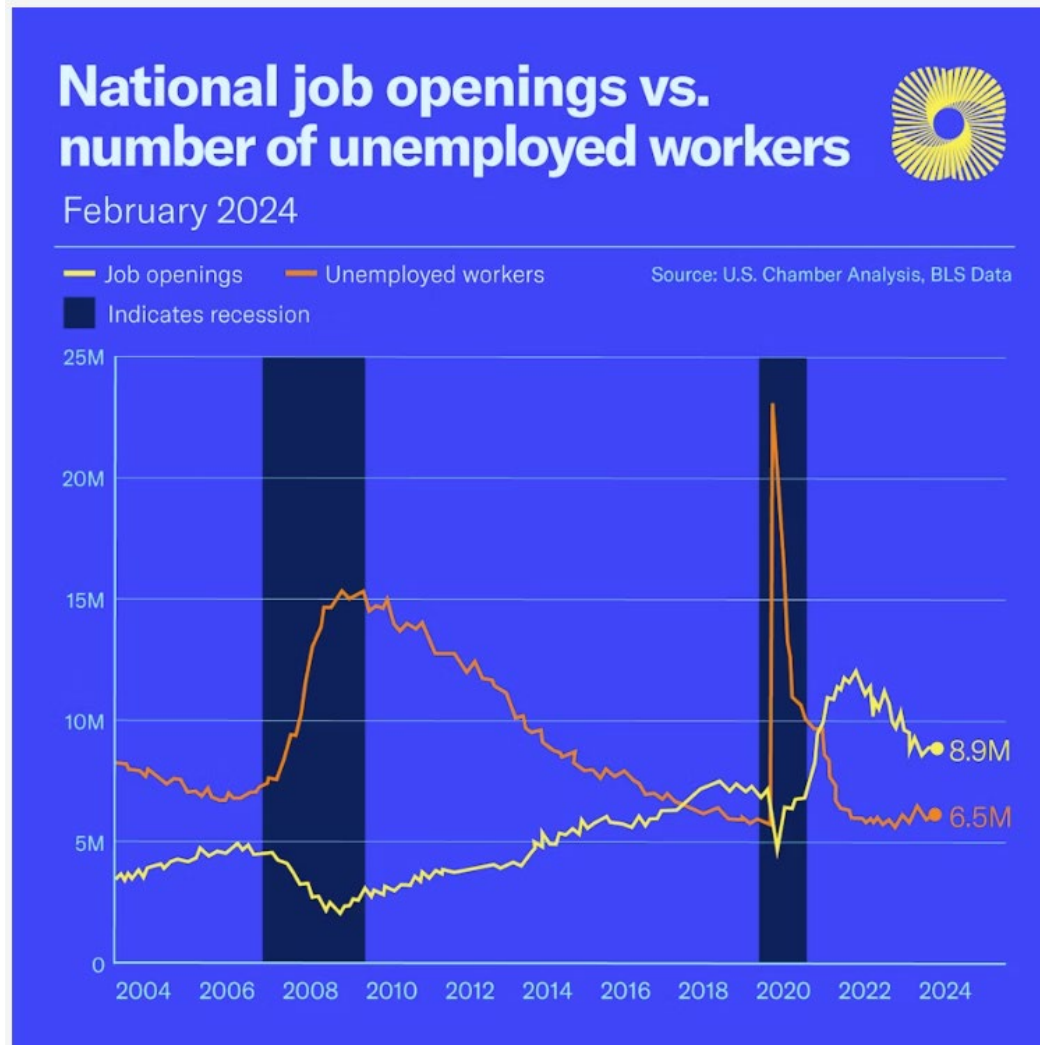
# The Workforce

## Labor Participation Rates by Age Group



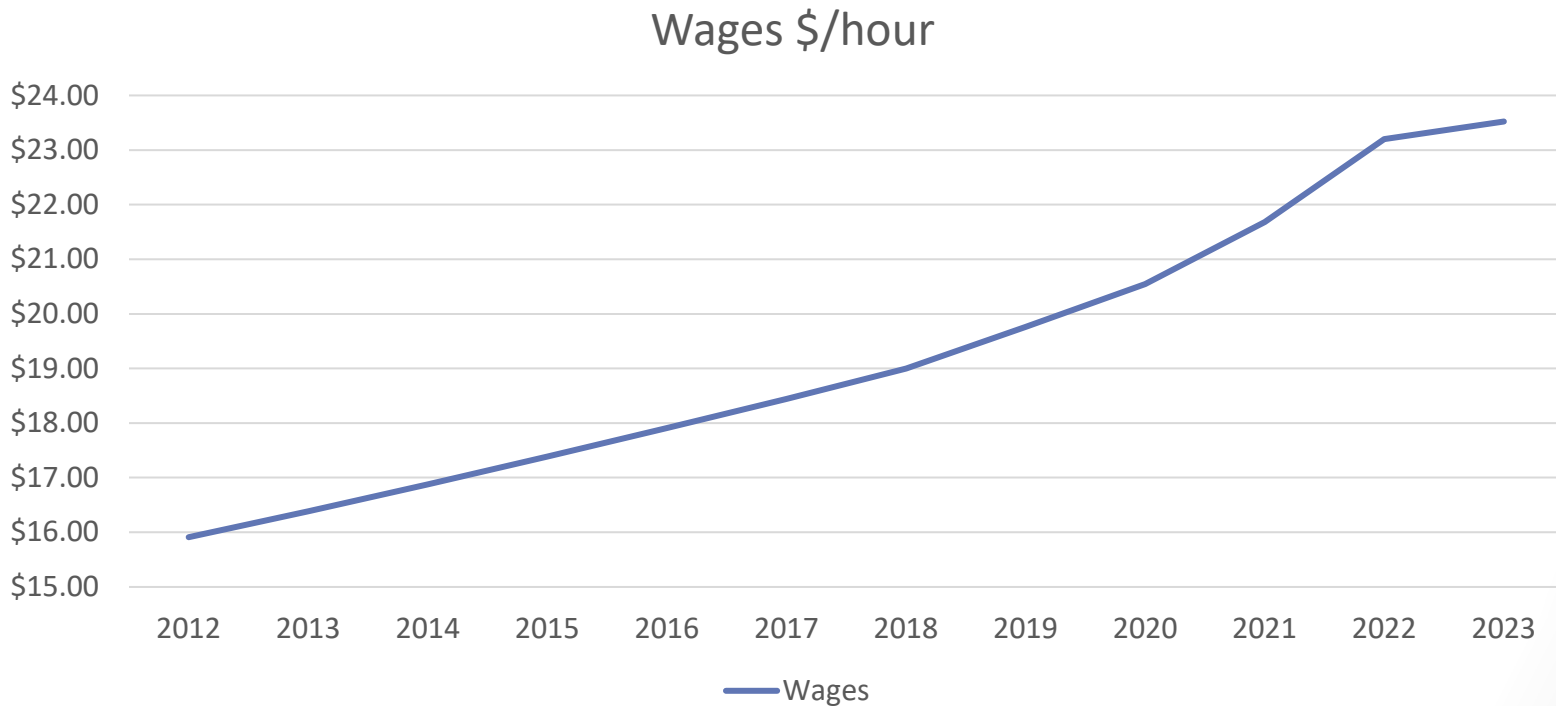
Source: Bureau of Labor Statistics

# Labor Shortage



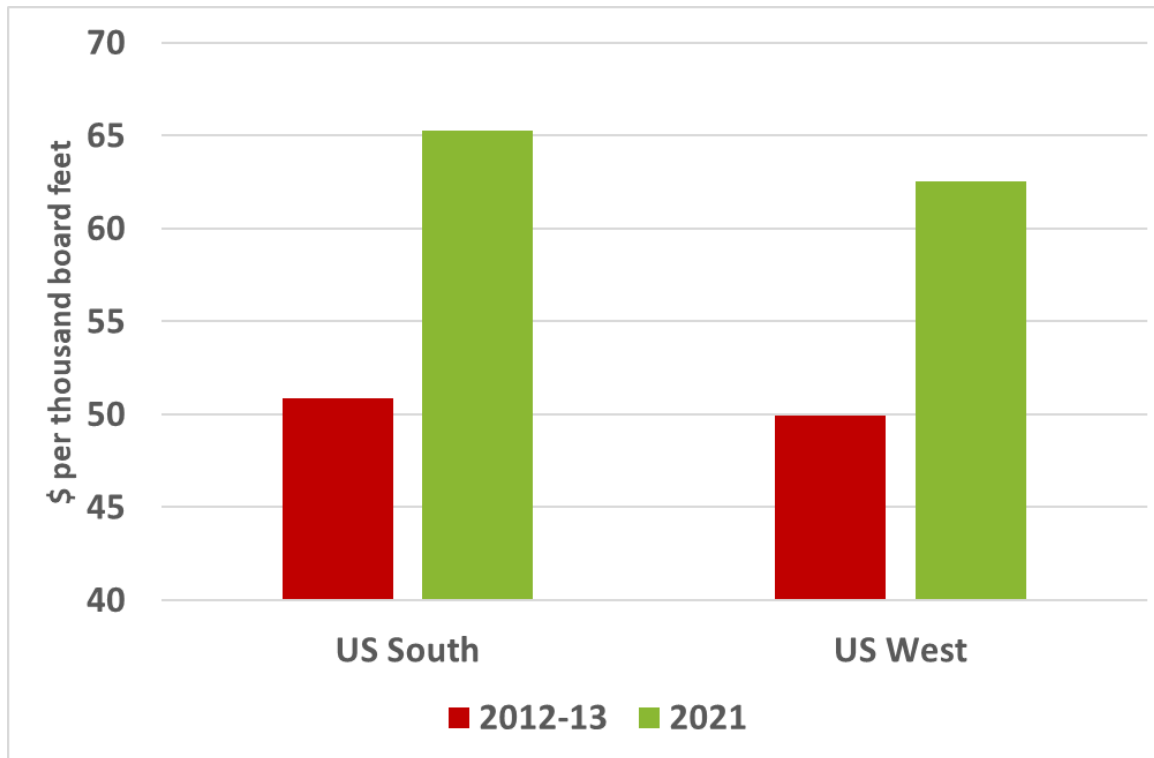
Source: U.S. Chamber of Commerce

# Wage Increases

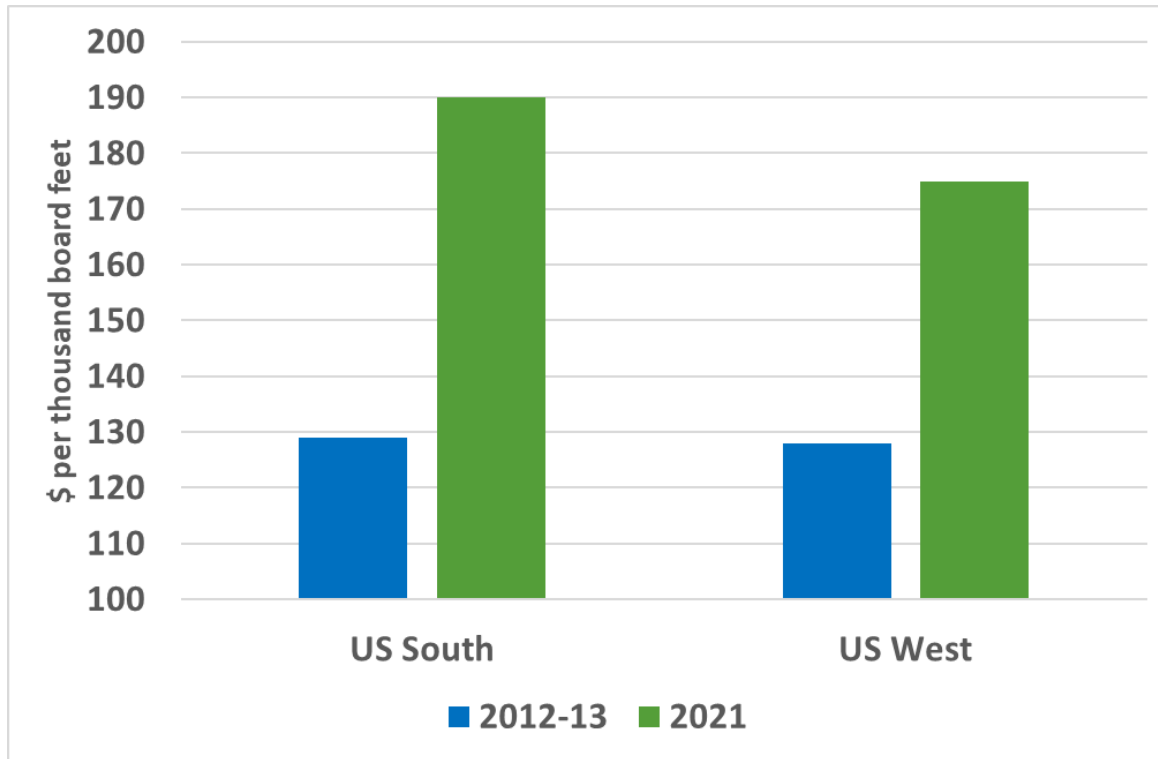




# Labor Costs Over Time

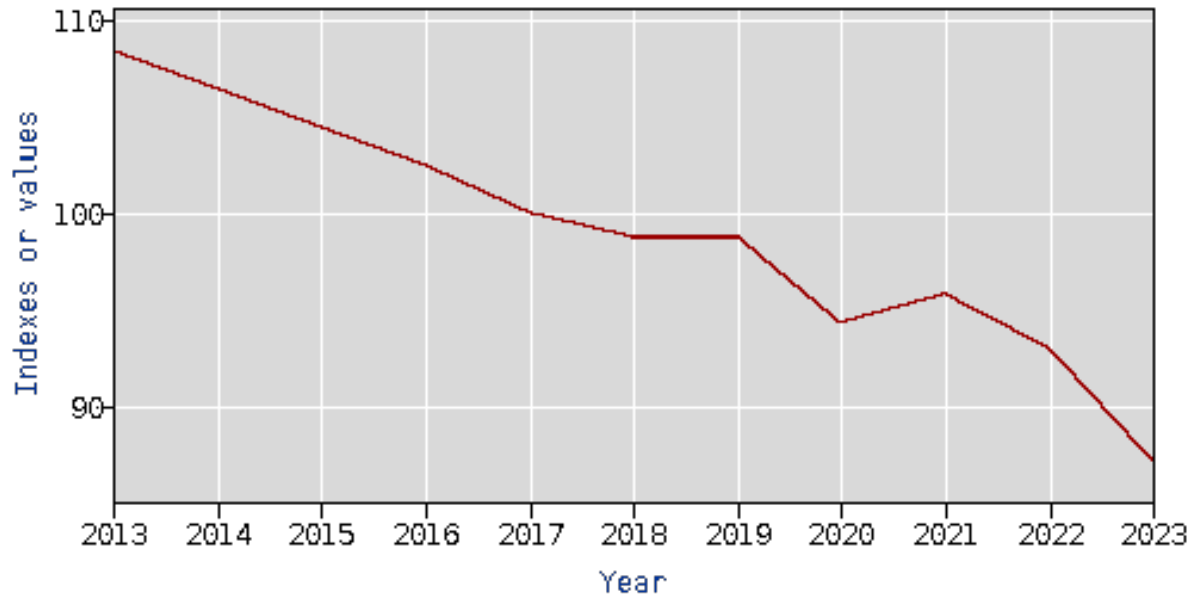


# Conversion Costs Over Time



# Paper Manufacturing Output

Annual real sectoral output (index, 2017=100) for NAICS 322, paper manufacturing, U.S. total



# Mill Closures

## **Tacoma paper mill to halt operations after 90 years, 400 jobs impacted**

**Cosmo Specialty Fibers receives new ownership group**

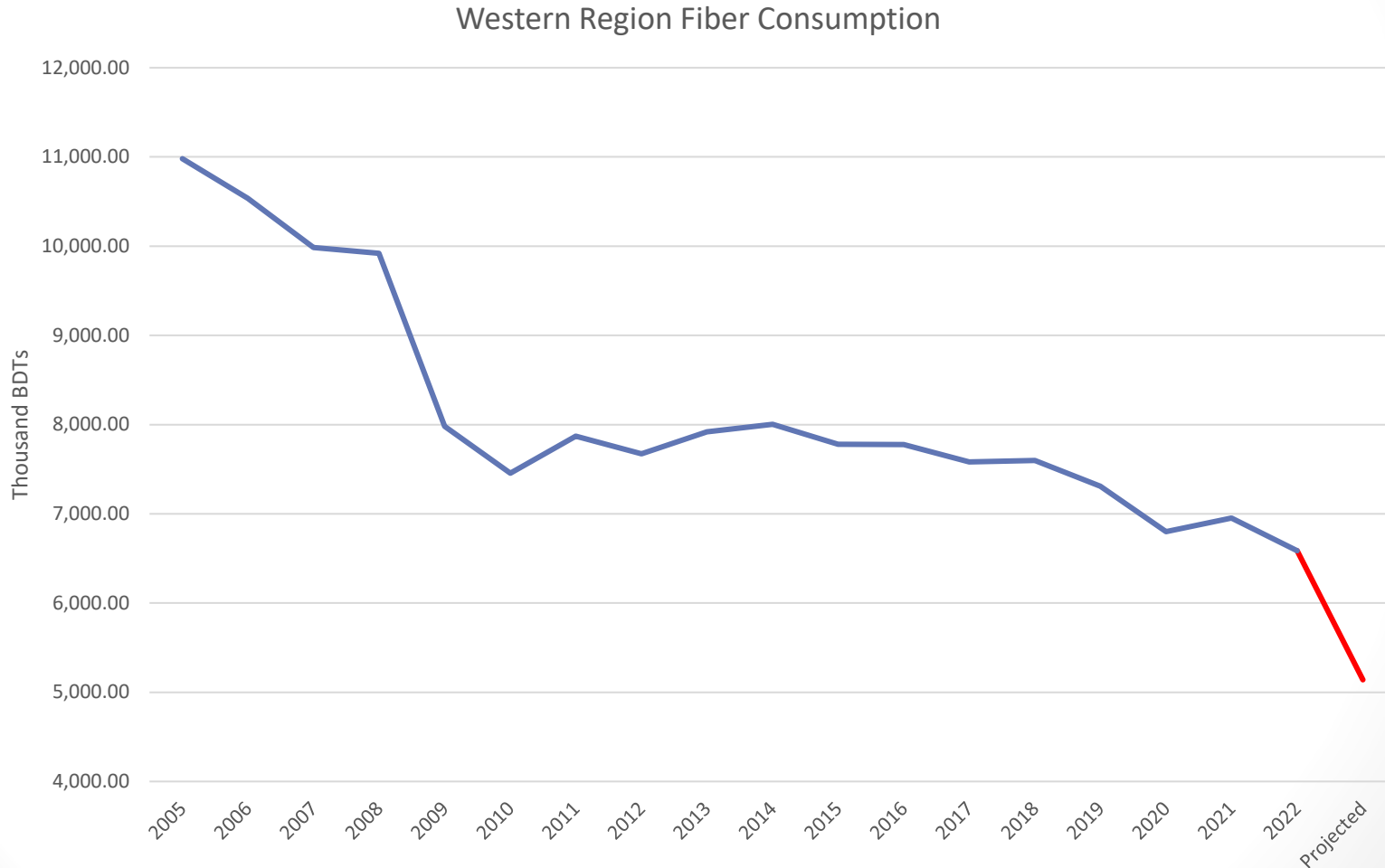
Goal is for March reopening pending financial audits and repair completions

*By [Allen Leister](#) • January 22, 2023 11:38 am*

PCA idles Wallula paper mill, lays off hundreds of workers

- By Wendy Culverwell Tri-City Herald
- May 10, 2023

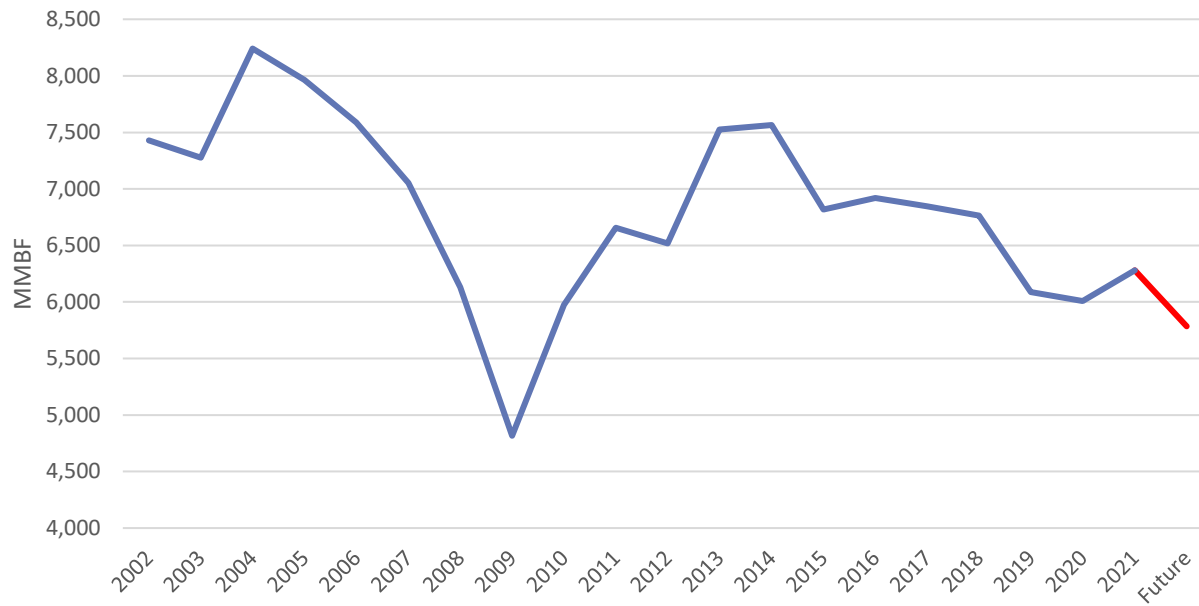
# Fiber Consumption Trend



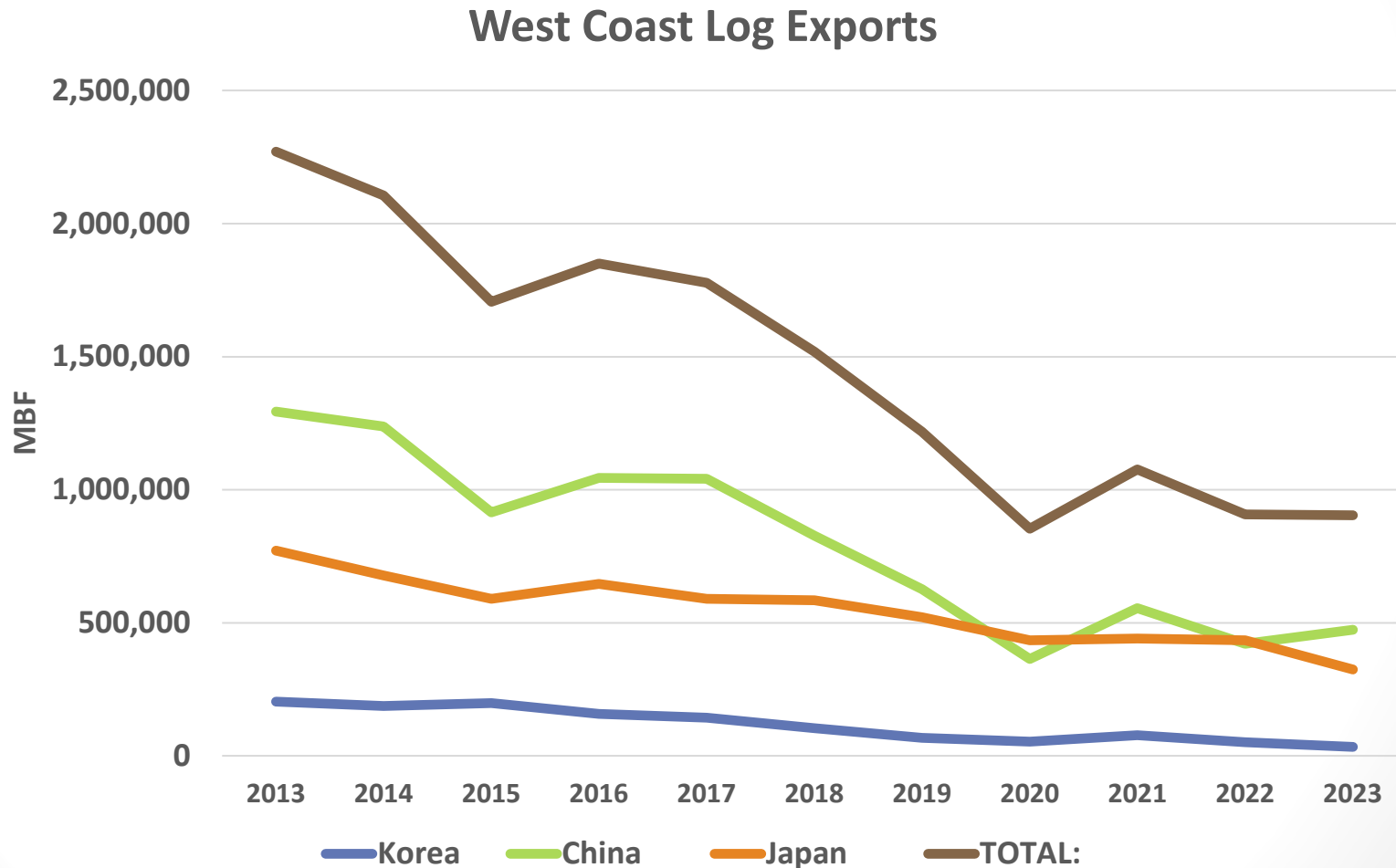
Source: Forest Resources Association

# Log Supply

## Harvest in Oregon and Washington



# West Coast Log Exports



# Impact on Forest Management

- Still over 80 mills and whole log chippers in Oregon
  - Some areas of the state are lacking facilities, particularly on the Eastside.
- Other areas of the West are less fortunate

Kyle Johnson: Sawmills are closing. How does that effect us?

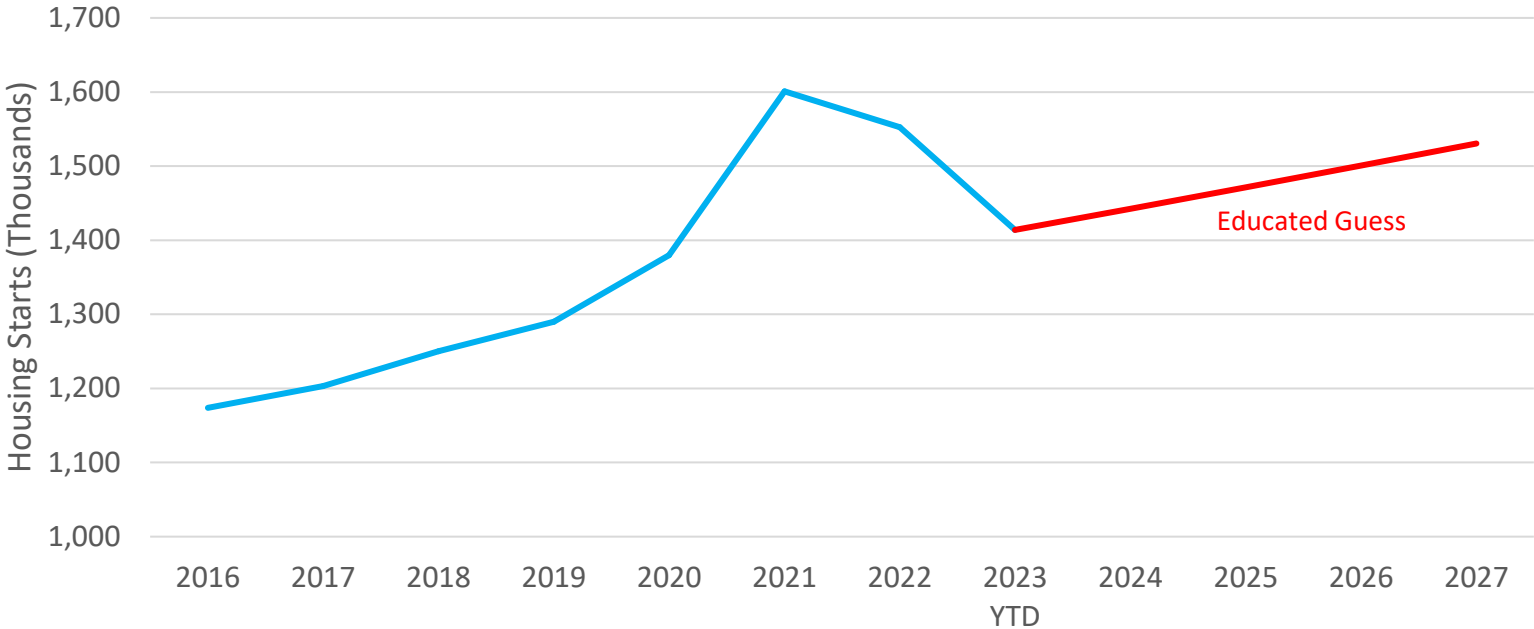
*The truth is the closures will have direct effects and indirect effects, like dropping a pebble in a pond. The immediate splash catches your attention, but the ripples last much longer and reach much further.*

Healthy Forest, Healthy Communities, April 9, 2024



# Housing Starts

## Total Starts



# Questions?

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