Alaska's Forest Products Industry

Past & present... From the 1930's until the end of the 1990's, the forest products industry centered on large scale pulp mills in Sitka and Ketchikan in Southeast Alaska. By 2000, the mills closed for a variety of reasons, including tighter environmental standards, increasing competition in world markets, and aging mill facilities.

Over the last 50 years, commercial timber harvesting has occurred primarily on federal, state and native corporate lands in southeast Alaska; on Native corporation lands in Prince William Sound, the Copper River basin and Afognak Island; and on state, borough, tribal and Native lands in the Sockeye and Tanana basins and the Kenai Peninsula.

Recent trends in Alaska’s wood products industry have favored the establishment of small dry-kiln facilities, with installations typically less than 25 thousand board feet (MBF) capacity. Since 2000, 12 such facilities have come online in Southeast, South-Central, and Interior Alaska. These dry-kiln facilities are a great benefit to local communities, as they create jobs and return dollars to the state’s economy.

South Central Forests
The paper birch and spruce forest in the Sockeye valley, north of Anchorage historically has had little economic value due to a high defect rate. This had made it difficult to create more than the few jobs offered by log home builders and very small sawmills. Growing interest in wood chips, biomass for energy, and hardwood sawmills may provide wider opportunities for use of South Central forests.

Further south, on the Kenai Peninsula, continued deterioration of beech-killed spruce has limited the amount of useful timber to the local mills. This has forced some mills to move out of the area or cease operations entirely.

The Tongass - America’s Largest National Forest

Managing for Multiple Use and Sustainability
Timber and related products from the Tongass National Forest have long played an important role in the economy of Southeast Alaska. Their importance was formally recognized in 1980 with passage of the Tongass Timber Reform Act (TTRA) requiring the Forest Service to seek to provide a supply of timber in a sustainable balance with all multiple resource objectives on the Tongass. The Tongass Forest Plan guides the management of all resources on the Forest.

The 18.6 million acre Tongass has about 9.4 million acres of old-growth forest, about 5 million acres of which are of commercial size. The Forest also has about 400,000 acres of young growth stands that are the result of timber management activities initiated primarily in the 1950s. Under the current Tongass Forest Plan, about 3.5 million gross acres of land are zoned to allow for some level of timber management; however, only 676,000 acres are programmed for long-term timber management. This amounts to about 4 percent of the Tongass land base and less than 20 percent of this original commercial land old-growth forest.

Timber Management in Transition
The Tongass National Forest’s young growth component provides an opportunity to diversify the Tongass timber management program. The Tongass is beginning the transition from the current program focused on old growth timber management to a balanced, long term program that emphasizes young growth management. Old growth timber will continue to be managed, but the focus of such management over time will be primarily to provide higher value and specialty wood products. A substantial number of acres of young growth are entering commercial sized classes, and our transition is underway.

Industry efforts are aiding in the transition to a more balanced timber program on the Tongass. In 2005, the American Lumber Standards Committee approved new strength values for Alaska softwoods that were developed at the Sitka Southern Yellow Cedar Technology Center. The committee also approved grade stamps for Alaska spruce, hemlock and yellow-cedar lumber. These advances have allowed Alaska softwoods to gain recognition for their aesthetic values as well as their exceptional structural properties.

The new grade stamps for Alaskan species will likely increase the use of local wood in Alaska. For example, Alaskans use about 120 million board feet of construction-grade lumber each year. While demand for construction-grade lumber is currently met through imports, we now recognize that Alaskan species can provide a suitable, if not superior substitute for imported wood products. Lumber like the Tongass timber program, the timber industry in Southeast Alaska is also in a transition period. Currently, Southeast Alaska does not have a cadre of lumber grades or grades that all of the local mills have dry kilns and planers.

These are necessary components for producing lumber, including construction grade lumber, for the market, the forest industry and the recognition of unique aesthetic and structural qualities of Alaskan species; the industry will begin to be able to take full advantage of the properties and values of the tree species found in Southeast Alaska.