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NEWS

For immediate release

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Patrick Lumber Manufacturing Adds Sawmill to Philomath Operations

U.S. Forest Service Provides Partial Financing with \$1 Million Grant

(Philomath, Ore., 10/31/23) — Patrick Lumber Manufacturing (PLM) has begun work to add a sawmill at its manufacturing facility located in Philomath, Oregon. The mill is being funded in part by a \$1 million Community Wood Grant provided by the USDA Forest Service.

Patrick's is one of nine projects in Oregon to receive grants totaling more than \$4,000,000 during FY 2023 through the forest service's [wood innovations and community wood grants programs](#). The programs' primary purpose is to support local economies while directly contributing to improving forest health and reducing wildfire risks to communities. Partial funding for the programs was made possible by President Biden's Bipartisan Infrastructure Law and the Inflation Reduction Act.

The new mill will be tooled to cut hardwood lumber, an unusual move in Oregon where the vast majority of mills process softwoods such as Douglas fir and Ponderosa pine, the state's most common tree species. While softwoods dominate, the forests of Oregon and Northern California also contain large volumes of Oregon white oak, Pacific maple, tan oak, madrone, chinquapin, myrtle, and Oregon ash. Attempts by others to develop markets for these species have mostly failed, other than a few mills that primarily cut alder. With no commercial outlets for the fiber, hardwoods have become a nuisance for land managers working to improve forest health and are an increasing component of wildfire-threatened overstocked stands.

"We saw a real opportunity here," said Patrick Lumber CEO David Halsey, "We can produce and market products that are in demand while also making it possible for forest managers to more economically perform activities that further the health of our forests."

Halsey believes the mill will be the only commercial-sized hardwood mill in western Oregon that isn't primarily cutting alder. As such, its fiber-sourcing area will extend hundreds of miles, from

northwest Oregon to northern California, making it a critical outlet for land managers fighting pathogens such as Sudden Oak Death in SW Oregon and No. California. It likely will be the only commercial outlet for ash trees threatened by a recent emerald ash borer outbreak in NW Oregon. Logs for the mill will be supplied from private, tribal, state, and federal lands.

Letters of support for the project from both the Oregon Department of Forestry (ODF) and the California Department of Forestry and Fire Protection (CAL FIRE) echoed the importance of adding new hardwood processing capacity.

“One of the greatest barriers to enhancing forest health and resilience is a lack of management enforced by a paucity of processing infrastructure.... Because of the absence of this infrastructure to provide revenue opportunities to offset management costs, needed management activities are often unaffordable,” wrote CAL FIRE’s Chris Lee.

ODF’s Marcus Kauffman and Wyatt Williams added, “Utilization infrastructure for hardwood products is rare in Oregon.... With no other high-capacity hardwood mills within reasonable transportation distance of the affected areas, Patrick’s new utilization capacity would bolster (ODF’s) mitigation efforts.”

In addition to milling underutilized hardwoods, Patrick will produce long-length alder lumber that other manufacturers are unable to supply to the market. Patrick also expects to mill juniper, an invasive softwood species that is threatening the natural ecosystems on millions of acres of arid land in eastern Oregon and Washington.

The majority of species Patrick intends to process at the mill are highly valued for their unique grain patterns and physical properties. The company expects most of the lumber it makes will find its way into end uses such as wood flooring, wall paneling, moulding and millwork, countertops and butcherblocks, as well as niche markets such as guitar heads and necks and picture frame manufacturing.

Planning and site prep for the mill has been underway since 2022. Within days of finalizing the award paperwork, Patrick purchased a complete head rig equipment package which will serve as the mill’s primary processing center. “The head rig for a sawmill is like the CPU for a computer, it’s the most critical component,” explained Dennis Sanders, project lead for Patrick Lumber Manufacturing. “The reality is really starting to sink in now.”

Equipment being installed at the mill includes a refurbished Salem head rig band mill with a 36-inch opening, three-knee carriage and Inovec light curtain scan optimization, along with a Powell rotary gang edger.

When complete, the mill is expected to produce about 150,000 board feet of hardwood lumber per month, a 4X increase over the smaller mill Patrick had been contemplating before the federal grant opportunity was announced. “The chance for federal support for the project was a game-changer,” Halsey said. “It allowed us to think bigger and consider how we could make a much more significant impact for the community and the forests.”

One of the most important criteria of the Community Wood Grant program was to demonstrate economic impact in areas of low employment. Patrick was able to show an expected positive impact in 18 Oregon counties, 17 of which were experiencing unemployment levels that were more than one percentage point higher than the 2019 federal rate (the baseline chosen by the forest service) at the time the application was submitted.

Patrick Lumber Manufacturing expects to add at least four new full-time positions to the 28 already employed at the Philomath location. “Those jobs are great, but just as importantly, the investment further solidifies our commitment to the community of Philomath and the surrounding area,” Halsey said. “We couldn’t be more pleased that the forest service recognized the importance of supporting industry infrastructure in our rural areas.” Patrick Lumber Company recently moved its headquarters to Philomath from Portland, where the company had been based since it was founded in 1915.

“This project is a great example of what our programs are all about – it addresses a specific need for wood processing infrastructure that will help us improve the health of forests and reduce the risks of wildfire while also serving as a key investment in rural America,” said Brian Brashaw, Assistant Director for Cooperative Forestry Wood Innovations at the USDA Forest Service.

The mill is expected to be operating at full capacity by June 2025.

About Patrick Lumber Company and Patrick Lumber Manufacturing

Patrick Lumber Manufacturing (PLM) is a subsidiary of Patrick Lumber Company (PLC), an Oregon-based wood products marketing and manufacturing company. Founded in 1915, Patrick Lumber Company was one of the first true lumber trading companies, connecting buyers and sellers of mostly niche lumber products produced in the Pacific Northwest. Over the decades the company evolved, adding manufacturing capabilities for value-add products and opening new export markets for U.S. lumber producers, always approaching its business with a high degree of integrity.

Patrick Lumber Manufacturing was formed in 2016, when PLC purchased a portion of the assets of Mary’s River Lumber Company, in Philomath, Ore. Since the original purchase, PLM has steadily expanded its capabilities and product offerings. After 107 years in Portland, Patrick Lumber Company moved its headquarters to Philomath in 2023. The company continues to maintain a presence in Portland. Another subsidiary, Woodsource, is a distributor and contractor yard in Denver, Colo., serving the western U.S. with a concentration in the Rocky Mountain areas of Colorado, Montana, Utah and Idaho.

Patrick Lumber Company manufactures and trades wood products in diverse markets worldwide. We show up, pay attention, and create value through honesty, synergistic action, and investments in our facilities, employees, customers, and suppliers. We believe our efforts improve the health of our planet and provide humans with powerful connections to nature.

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