

The Importance of a Small Sawmill to Its Community September 29, 2021

Concept-a small full time local sawmill can be the engine that runs viable small tract forest management for a large number of local forest landowners. In recent years available loggers for small tracts have declined in number such that small tract owners often cannot find any loggers for their tracks. The small sawmill business in a community can become the buyer of small tract logs as well as the supplier of lumber products to the community. The best situation for the community is to have a small sawmill, a firewood business, a chipping business and a dry kiln in one location sharing equipment and making better use of forest materials.

Small tract forest management planning-small tracts can be managed using frequent harvests in small amounts over a long period. Harvesting can take place as needed for thinnings due to crowding and removal of poor trees. Harvesting with small equipment, like farm tractors with logging winches can remove logs from the forest with minimum damage to remaining trees. Additionally, small harvests can avoid wet soils that are damaging the forest.

Economics for the small sawmill operation-a community small sawmill operation working full time with a minimum of \$ investment should be able to net \$50,000 annually based on sawing green lumber and selling on the wholesale and retail markets. It becomes easier to achieve this profitability goal when the operation buys logs locally that are not sawn but sold to other sawmills and firewood producers.

The small sawmill operation may expand by adding a dry kiln and selling kiln dried lumber. This is an attractive option as kiln dried lumber has a higher profit margin than green lumber.

The small sawmill can offer custom sawing for a fee or an exchange of logs so that it can be flexible in obtaining profits and offering a wide variety of products and services.

Multiplying the economic effect-the economic benefit to the community goes far beyond what gains there are by the small sawmill, they include:

- Ability of the small tract landowner to sell timber as part of a management plan
- Ability of the community to buy locally produced lumber for their needs that may include supporting a business operation
- Ability to cooperate with other forest product businesses like firewood, chipping, etc.
- \$ spent by the sawmill on logs becomes revenues for the small tract landowner
- Waste slabs can become firewood that replaces purchases of fossil fuel energy outside the community