

Strong and Viable Sawmill

Willits Redwood Company focuses on milling versus logging

By Kathy Coatney

Forestry is in Bruce Burton's blood. His father Ed came to the northern California town of Willits after World War II as a company forester, eventually starting his own research business.

In 1974, Bruce started a small portable sawmill business in Willits after being laid off from his job. In 1977, an old college buddy, Chris Baldo, stopped by thinking he was on vacation. Burton says, "I put him to work, and he never left."

Bruce and Chris formed a partnership in 1980 and incorporated the company as Willits Redwood Company. The duo built a fixed-base, permanent sawmill in Willits and currently employ 23 permanent, fulltime employees.

Willits is a good location for source material for the mill, and it's undeniably God's country, Burton says.

Redwood Guys

"At one point, we did it all," Burton says — forestry consulting, logging, and the sawmill — but they found they couldn't be everything to everybody.

Burton loved logging and found it to be an "engaging business" but he was never home. "You get up at three in the morning, and you drive two and a half hours to get wherever you're going to work. You only get to work four to six months a year. It's a great deal when you're working and when you're out there."

"Now we're just log buyers," says Burton and believes focusing on the sawmill was the right direction. "We don't own any fee timberland. We don't have our own quarter of a million acres to go cut trees down on whenever we need them." The company buys their logs on the open market.

Thinning of the Herd

When Burton started the sawmill in the 1970s, about 1.5 billion feet of redwood was produced annually. "Now it's a 300 million feet industry," he says. Since he began, he has witnessed at least 20 sawmills go out of business and many more logging companies as well.

Willits Redwood Company has weathered the ups and downs of the last four decades and today produces about 15 million feet of redwood a year. Production remained steady even during this recession.

"We have probably done as well during the recession as we ever did outside of it because our biggest cost here is logs," says Burton. "Redwood logs can be really expensive at times, and when things are a little bit on the downside, there's a little less competition and optimism on the log purchasing end, which can make prices soft."



Local and Foreign Markets

The media continually reports a housing recovery is at hand, but Burton is not seeing it yet. “I feel that my customers are speaking as if they’re a little more optimistic, that this year will be a better year. But I haven’t noticed it in sales, or prices, or demand, or on my inventory,” he says.

Most of the mill’s markets are domestic, but the company does have a small export market, mostly to Japan and occasionally to Korea.

“The Japanese are somewhat consistent users of redwood, so we do some business with them,” Burton says. But even so, the export market remains under five percent of their total sales.

The majority of Burton’s market is the western United States and California. Approximately 90 percent of sales are in California, with the remaining 10 percent out of state.

The biggest holdup to moving east with sales is the lack of rail service. “It was here. It’s been shut down for about 15 years, and there is some effort to try and bring it back,” Burton says. Right now though, it doesn’t look likely.

Logging Trucks

Air quality laws coming into effect in California have demanded retrofitting of older trucks. Many of the owner/operator or independent truckers are closing up shop because the owners can’t afford to upgrade their older trucks or the alternative — buy newer models.

“I’m really seeing kind of an end of an era for the independent trucking business man,” Burton says. “This could impact our operation eventually, but it hasn’t gotten to a critical point yet.”

Added to the shrinking group of independent truckers, the regulatory environment for the harvesting of California redwood continues to stiffen. The length of the season has been reduced to four to six months.

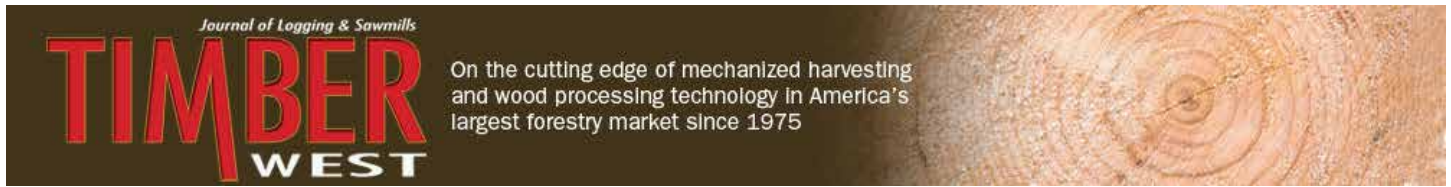
Burton anticipates problems in the timber harvesting industry as the short season and the loss of the independent truckers continues to evolve. Eventually it will impact him when it becomes difficult to get logs when he needs them.

Equipment Choices

Burton started the sawmill with old forklifts, wheel loaders, and a track loader. Today, he buys new equipment and tries to upgrade their rolling stock (frontline, everyday equipment like forklifts and log loaders) on a regular basis.

“We continually upgrade our equipment as our finances allow, and in recent years, we have been able to purchase new equipment, whereas in the past we had to work with used equipment,” Burton says.

When old equipment is replaced, it becomes backup. “We take care of it,” says Burton. “I don’t know that we’ve ever sold a piece of rolling stock. They still run. They’re still useable. They’re just backup.”



The company purchases mostly Caterpillar (CAT) log loaders and forklifts. “We have an array of CAT 950s that begin with B models and end with the latest H models, Burton says.

The CAT 950G log loader is the mill’s workhorse as are the CAT 15,000 pound diesel V70 forklifts.

The remainder of the sawmill equipment is a mix of purchased and shop built. Purchased equipment includes:

- A combination edger 8”X60” from Cone Machinery in Thomasville, Georgia.
- A 20-foot gang trimmer from Advanced Sawmill Machinery Equipment in Holt, Florida.
- The planer is Yates-American A20.

The shop built equipment includes a headrig and resaw that use parts from McDonough Manufacturing as well as a Rosserhead debarker.

We had no particular reason for building the equipment ourselves other than the challenge of whether we could do it, Burton says.

With a recession not quite behind us, and the potential threats of fewer logs in the future, owning a sawmill is not for the faint of heart. Willits Redwood Company, however, is ready for the challenge.