

California timber industry buzzing post-recession

By Shan Li, Los Angeles Times

Even before dawn breaks, workers at the lumberyard in Lynwood were bustling around, getting a move on the day. Men in yellow safety vests drove flatbed trucks stacked to the brim with planks of wood. Others were buzzing around in forklifts, ferrying more boards.

It's a scene that had John Cencak smiling in satisfaction and relief. After years of anxiously waiting for the economy to rebound, the vice president of Jones Wholesale Lumber Cos. was seeing an upswing.

"You see this new truck?" Cencak said as he pointed to a glossy Freightliner truck, its white and green paint gleaming even in the dark. "We just bought three of them. That's a half-million-dollar investment. It's all part of the economic recovery."



Timber from the South Shore Fuel Reduction Project may be more valuable this season. Photo/LTN file

Thanks to a housing rebound in which new homes and apartments

are being built, California's timber industry is slowly on the mend after being devastated during the economic downturn.

Sawmills that cut timber into boards are reopening and hiring again. Truck companies that haul that wood out of state are revving up. Lumber prices have soared more than 40 percent over last year.

"The last few years have been a slow recovery from the recession for wood products," said Phil Tedder, a forestry consultant at Resource Economics. "The main consumer was new housing, and that obviously wasn't very good. But now things are picking up."

Sierra Pacific Industries, one of the biggest timber companies in the country, has hired 140 lumberjacks, machinists and electricians for its reopened sawmill in Sonora after closing it in 2009 when the housing market crashed. An additional 26 jobs were added at a mill in Chinese Camp.

"It's a combination of new housing and repairs and remodels," said Mark Pawlicki, spokesman for the Anderson company, which operates 11 mills in the state. "The low interest rates for housing are helping. We are seeing an uptick in demand for windows, a lot of which go into remodels of homes."

Jones Wholesale's sales plummeted 50 percent in 2009 compared with three years earlier. It laid off nearly 20 workers – the first layoffs in its 89-year history. It also cut back on contractors that provided cleaning and security work.

"During the recession, we said we had to work twice as hard and make half as much," Cencak said.

But things appeared to be turning around as the company's 17-acre lot hummed with activity.

Workers hustled through the yard and swarmed around tall stacks of wood, which are unloaded, cut, stored and then

reloaded onto trucks to be sent throughout the Southland and beyond California. The brightening outlook prompted the company to hire 10 workers last year. Now two or three times a week, trucks carry lumber all the way to Las Vegas, up from once a month in 2009. Workers have received promotions and long-overdue pay raises.

Cencak said sales in 2013 are projected to be 15 percent to 18 percent above last year's, thanks in part to banks' greater willingness to extend loans to businesses and home buyers.

"Everyone is gearing up," he said. "The banks didn't want to touch the industry for a while. Now they are picking up our calls."

That's welcome news for workers like Edgar Herrera, 33, who expects to be hired soon as an assistant dispatcher after working there four months through a temporary agency. After more than a year of unemployment during the recession, the Bellflower resident said he's glad just to be getting a job, much more one that comes with health insurance.

"It's really a big stress off your back to finally land something solid," Herrera said. "After I had to extend unemployment the first time, I was really worried."

But not everyone is betting on a cheery future.

Logging companies complain of environmental regulations that they say strangle the industry in California and contributed to a decades-long decline. Some gripe that new legislation signed into law by Gov. Jerry Brown last year – which was designed to protect the state's timber companies by restricting legal damages for wildfires – won't stop the slow decline of an old Golden State industry.

Over the last decade, Berry's Sawmill and Lumberyard in Cazadero has laid off nearly 75 percent of its workforce, said general manager Bruce Berry. A recent uptick in sales has yet

to prove sustainable.

“There is some positive stuff happening,” Berry said. “We’ll see if it continues.”

Experts say the recession has forced out weak players in California timber and encouraged surviving businesses to stay lean and increase efficiency, which will benefit them in the long run. Sierra Pacific, for example, has no plans to reopen two of the three mills it had closed. But it has worked on installing high-tech machinery that reduces waste.

Jones Wholesale also plans to make upgrades.

Cencak pointed to deep cracks in the floor near its sawmill. He said the company hasn’t repaved its yards since 2007, and that’s what concrete looks like after years of pounding by trucks, piles of lumber and heavy work boots every day. But now he is thinking about putting some money into smoothing over its potholes.

“Paving another 5 acres – that’s what a recovery looks like,” Cencak said.