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### Unprecedented Expansion of Softwood Sawmills in the South

TMS has reconciled last week's news of new sawmill construction with an update on expansion plans.

#### Georgia-Pacific & Canfor Announce Sawmill Plans for Georgia

Two new softwood sawmills were announced last week. The two locations are both in TMS Region Georgia 2, about 30 miles apart, on opposite sides of US Interstate 20 that connects Atlanta and Augusta.

- ❖ On Tuesday, February 20<sup>th</sup>, Atlanta-based Georgia-Pacific (GP) announced plans to build a new softwood lumber production facility in Warren County, Georgia.
- ❖ On Thursday, February 22<sup>nd</sup>, Vancouver-based Canfor Corporation announced plans to build a greenfield softwood sawmill in Washington, Georgia.

#### Georgia-Pacific:

GP will locate a new, technologically advanced facility adjacent to its existing Warrenton sawmill, on the same site. Target capacity is 350 million board feet (mmbf) at a cost of \$135 million (approximately \$385 per mbf of capacity). The new sawmill will be capable of producing more than three times the lumber of the existing facility which has been in operation since 1970.

GP announced construction would begin in the summer of 2018 with startup in spring of 2019. The new plant will hire 30 to 40 new employees, bringing GP employment in Warren County to 150 people. The company estimates the facility will receive approximately 185 truckloads of pine logs per day.

GP attributed reinvestment in Warrenton and Warren County to its current talented employee base as well as a receptive attitude from county and economic development officials.

#### Canfor Corporation

Canfor will locate its new, state-of-the-art sawmill in Washington, Georgia, where the company currently operates a glulam laminating plant. Target capacity is 275 mmbf at a cost of \$120 million (approximately \$435 per mmbf).

Canfor expected construction to begin in the 2<sup>nd</sup> Quarter of 2018 with startup in the 3<sup>rd</sup> Quarter of 2019. However, they added that the construction contractor may not be able to complete the work on the original timetable. Canfor attributed the investment to excellent fiber resource in the region, as well as a strong and skilled employee base. The strategic location is near their existing glulam facility, purchased in 2015 from Anthony Forest Products.

#### Expansions & New Capacity

According to TMS research, six new southern pine sawmills started up production in the South in 2017 and early 2018. Along with seven mill expansions and upgrades planned for 2018 and 2019, there are three other new sawmills planned: Georgia-Pacific in Talladega, Alabama, as well as one each for Interfor and Rex Lumber with locations yet to be determined. These additions could increase southern softwood capacity by 18%, adding 3.2 billion bf and increasing total Southern capacity to 21.1 billion bf. The combined total investment associated with these projects exceeds \$1.3 billion and could create an estimated 1,400 new jobs across the South.

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