

# Weyerhaeuser in Arkansas

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**Abstract:** Weyerhaeuser Company has undergone many transitions since it was founded in 1900. Changes have occurred in the timberlands and wood products divisions as well as other divisions, based on both the US and global economies. This paper will present a synopsis of the current status of Weyerhaeuser generally, and in Arkansas in particular.

**Keywords:** wood products, fiber, plywood, nursery

## Weyerhaeuser Company

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Weyerhaeuser Company was incorporated in 1900 in Washington by Frederick Weyerhaeuser, with profits realized from timber resources in the Lake States of the US. He bought approximately 364,000 ha (900,000 ac) in Washington at a cost of US\$14.60/ha (US\$ 6/ac) in what was considered to be a huge risk at the time.

The corporate headquarters of Weyerhaeuser Company is in Federal Way, Washington, located between Seattle and Tacoma. Company operations are found in ten countries, and include timberlands, wood products, cellulose fibers, real estate, and transportation. Annual sales total US\$ 5.5 billion, with 14,900 employees currently involved in various aspects of the company. At present, Weyerhaeuser controls approximately 9 million ha (22 million ac) of timberland.

Current figures are a big change from very recent history, reflecting a drop in annual sales from as high as US\$ 20 billion and a workforce of over 50,000 employees in expanded operations. The company has sold the paper, container-board, and recycling businesses, and developed a strategy to return to core businesses.

## Timberlands

Weyerhaeuser Timberlands operate in nine states, owning 2.3 million ha (5.8 million ac) and leasing 307,500 ha (760,000 ac). A large amount of the leased land is located in the southern US. In addition to US operations, 6.2 million ha (15.2 million ac) are licensed in Canada; 127,500 ha (315,000 ac) are under management in Uruguay; and 18,200 ha (45,000 ac) are managed with a partnership in China.

## Wood Products

The wood products division of Weyerhaeuser Company includes 23 lumber mills, 12 engineered products mills, seven oriented strand board (OSB) mills, two plywood plants, five veneer plants, and seven hardwood mills in the US. A plywood facility in Uruguay and a hardwood lumber mill in Brazil are also part of the wood products division.

Net sales in wood products in 2009 totaled approximately US\$ 2.2 billion (Figure 1). Sales of softwood lumber comprised 40% of the total, but those profits have been heavily impacted by recent declines in the housing market. The next largest sales were in engineered solid section products (18%), followed by OSB (10%), hardwood lumber (9%), and plywood (4%). The remaining 19% were comprised of sales of other products.

## Cellulose Fibers

Weyerhaeuser operates five mills that manufacture absorbent fluff pulp, one use of which is in diapers. These mills are located in Georgia, Mississippi, North Carolina, and Alberta, Canada. In cooperation with Procter & Gamble Company, an additional mill is scheduled to open in Poland in 2012.



Figure 1. Net sales for the wood products division of Weyerhaeuser Company in 2009.



Figure 2. State of Arkansas map.

### Real Estate

The real estate division of Weyerhaeuser runs six different home-building companies in the real estate business. These businesses are located in the states where housing demand has been the greatest, including California, Arizona, Nevada, Texas, Virginia, Maryland, and the District of Columbia. Each of these companies has an independent strategy to manage for the different needs in those communities.

### Transportation

Westwood Shipping, a transportation division of Weyerhaeuser, runs seven large ships that haul logs and containers off the west coast of the US. These ships run on set schedules across the Pacific Ocean to the Pacific Rim countries. There were also four short-line railroads located in Mississippi, Arkansas, and Oregon, but Weyerhaeuser has recently sold these to a third party.

### Weyerhaeuser in Arkansas

The company first came to Arkansas in 1956. In 1969, the company bought Dierks Forest in the southwestern part of the state (Figure 2). The Arkansas branch of the company currently has 691 employees and oversees 254,500 ha (628,800 ac).

Arkansas operations include a plywood mill in Emerson, a town located almost on the Louisiana border; a large sawmill in Dierks that is a carry-over from the original Dierks Forest; timberlands that are located predominantly in the southwestern part of the state; tree improvement operations and a research and development facility in Hot Springs, that also houses various sales offices for the lumber and plywood businesses, as well as administrative and support offices; and the nursery in Magnolia.

### Magnolia Nursery

The Magnolia Nursery (Figure 3) was founded in 1972 as the company was gearing up to reforest Arkansas operations. Since its inception, the nursery has grown 1.9 billion seedlings of various species and has developed a seed extraction and processing lab on site. They are currently growing approximately 50 million pine species, as well as 2.5 million hardwood species. The hardwood species are grown for outplanting on company lands as well as for sale to other parties for both the Wetlands Reserve Program and the Conservation Reserve Program.



Figure 3. Weyerhaeuser Magnolia Nursery hardwood seedling crop.

The content of this paper reflects the views of the authors, who are responsible for the facts and accuracy of the information presented herein.