

FIVE QUESTIONS WITH:

Grady Mulbery

PRESIDENT AND CEO, ROSEBURG

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Q: With housing and remodeling on a solid growth curve, what do you see as LBM dealers' biggest opportunity?

A: Over the past few years of recovery we have seen slow, steady growth in the number of housing starts, but we still haven't returned to the historic rate of 1.5 million per year. And with millennials waiting longer to start families and purchase their first homes, it will be some time before we achieve those pre-recession rates. That means more people are renting or remodeling older homes, creating new opportunities in those markets for producers like Roseburg. It helps that architects and designers have started embracing wood over other materials like concrete and steel for their projects.

The emergence of cross laminated timber as an innovative new building material is good news for the industry. The more excitement we can create about wood products, the better for the industry.

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Q: On the flipside of that question, what do you view as the single biggest challenge facing dealers?

A: For Roseburg, the soft global economy and strong dollar continue to be key challenges. The current exchange rates mean domestically produced wood products are more expensive than those from other countries, so we are at a distinct disadvantage, particularly in the solid wood arena. We are cautiously optimistic about the potential effects of the recent rulings on Canadian softwood lumber and Chinese hardwood plywood imports. If upheld by the International Trade Commission, the duties could help level the playing field for domestic producers including Roseburg.

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Q: There has been a tremendous amount of consolidation in the LBM industry—among manufacturers and dealers. What do you see as the impact of consolidation on the LBM distribution channel?

A: Consolidation has changed the nature of the industry nationwide as major players scramble for a larger market share and competitive advantage. Recently we've seen Weyerhaeuser's acquisition of Plum Creek and locally here in Oregon Campbell Global's acquisition of Roseboro timberlands. The shift from many smaller companies doing business with one another to a handful of larger companies dominating the domestic market will have wide-ranging impacts on the industry. To remain competitive, companies like Roseburg must optimize operations through automation, innovation and enhanced customer service.

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Q: We don't hear the phrase "green building" much anymore. Is it a trend that's run its course, or has it gone mainstream? What does that mean for dealers?

A: The concept of green building has become more of a given than it was in the past. It's less of an anomaly or trend than it is a mainstream approach to construction. Sustainability remains a high priority for Roseburg. We were among the earliest companies to pursue Forest Stewardship Council certification, and we're one of the longest continuously certified companies in the United States. All of our manufacturing facilities are certified to the FSC Chain of Custody and Controlled Wood standards, and our California timberlands are certified to the FSC Forest Management Standard. As an industry, we don't tell our sustainability story well enough.

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Q: 2017 marks Roseburg's 80th year in business. What should LBM Journal readers watch for from your company in the coming years?

A: As a company, we are constantly evaluating new opportunities for growth. But we won't grow just for the sake of growing. Any expansion or acquisition must make strategic sense, play to our strengths and tap into real demand. Our overriding goal is to remain competitive in a volatile market environment. We face challenges on all sides, foreign and domestic, with increased regulation, particularly with some state governments, and a tight labor market among them. But one thing never changes: People need wood products to make the things they use every day. And as long as that is the case, we'll have work to do. ■

Grady Mulbery is president and CEO of Roseburg Forest Products and serves on the company's board of directors. He previously served as Vice President of manufacturing, overseeing composites, lumber, engineered wood, plywood and veneer. Mulbery began his career at Willamette Industries in 1999. He also held various management positions at Weyerhaeuser from 2002 to 2007. Before joining Roseburg in 2011, he served as Director of Operations for SierraPine. He holds a degree in wood science and technology from Colorado State University.

