

THOMASVILLE LUMBER COMPANY

Thomasville, AL



Thomasville Alabama Sawmill Rises From the Ashes



What was once a sign of bad times - an idle sawmill destroyed by a fire - is now a boon to a small town in rural Clarke County, Alabama.

An unfortunate electrical fire in April 2001 shut down the operation of Coastal Lumber Company and ended 70 direct and 100 indirect jobs for people in Thomasville. Located in the heart of a vast southern pine forest, the former pine sawmill had been in operation since the 1960s, and was part of a large company with mill operations around the United States.

It was quite a blow to the employees and local economy when the company decided to abandon the mill and cease operations. James Dixon, one of the current owners of the Thomasville facility, was the plant manager at the time of the fire. "We felt we had to bring the mill back up to provide jobs", says Dixon.

Dixon began working immediately. He enlisted a partner and began the process of seeking financing, making the rounds with officials from the local bank, the city, and county. Besides securing the mill property and rebuilding the facility, they needed working capital to purchase logs and carry short term receivables. In addition, future success of the mill hinged on rekindling its former customers - buyers in foreign markets – and supplying them with a special type of superior grade of lumber for which the Thomasville mill was well known.

The Coastal mill had enjoyed a prized reputation in export markets because of the type of timber from the area and the percentage of clear sapwood in the lumber produced in the region. Unlike many domestic sawmills that produce volume lumber for the domestic market and export smaller quantities, Dixon's goal was to launch the new mill, aptly named Thomasville Lumber, with the overseas customer in mind first.

Taking the advice of Mayor Sheldon Day, the former Coastal employee contacted the Alabama International Trade Center for help. Dixon and Mayor Day already had a local bank on board eager to provide the financing for the purchase of the property and refurbishment of the equipment. Carol DeCastr, AITC export financing specialist and former international banker, found an easy solution to give the Thomasville bank the security it needed to extend the credit for the critical working capital to produce lumber to be shipped outside the United States.

Fortunately, one key buyer put an offer on the table to purchase a majority of the new mill's production for export customers. With that in hand, Thomasville Lumber secured an export working capital loan from First United Security Bank guaranteed by the SBA to purchase logs and carry short term receivables. "This was a real deal-maker," said DeCastr who works for the AITC, a member of the Alabama Small Business Development Consortium.

The SBA deal worked beautifully. On July 8, 2002, Thomasville Lumber Company resumed full production with 85 percent of its former employees returning to help the new business reopen and grow. Thanks to Dixon's persistence, the new mill is a big part of Thomasville's economy. The firm contributes in excess of \$2 million in direct payroll to the community with over 60 workers employed. It has sales of approximately \$10 million per year. And the majority of the production from this high quality mill in rural Alabama is shipped overseas.

"We serve a niche in the marketplace," states Dixon. Not too bad for a sawmill that was left standing in ashes only a few years back.



James Dixon