

Speyside's success offers message of hope to region

BY STEPHANIE PORTER-NICHOLS

Staff

Kendra Hayden began helping work to bring the Speyside Bourbon cooperage and stave mill to Smyth and Washington counties when the project was just a possibility.

After she toured the stave mill, watched employees working on the lines, and helped celebrate its first year plus of operations Thursday, Hayden, Smyth County's economic development assistant, reflected on seeing a project from prospect to fruition.

After the formal ceremonies, she caught up with other professionals, sitting in the mill's break room with officials and workers. It has been "cool to watch the process," she said. "It's very fulfilling to see all the people who have to cooperate to bring it together."

Hayden, who continues to work in economic development, said, "It gives you hope for the next

one."

The mill has operated quietly and efficiently in Glade Spring for more than a year – the first of its kind anywhere in the world. Thursday morning, company officials gave state and local officials a look at their proprietary process.

Mill Manager Chris Bailey observed that the company, Speyside Bourbon, "created a new way of making staves" – the necessary wooden side components of bourbon barrels. The state-of-the-art mill in the Highland Business Park produces thousands of staves each day. Once complete, the narrow pieces of wood with a slightly beveled edge are sent up Interstate 81 to Atkins in Smyth County where Speyside's cooperage transforms them into barrels. The Atkins plant is working toward its goal of producing 800 barrels a day.

Bailey explained that it takes 33 staves to make one barrel. The need for the multiple stacks of

See **HOPE**, Page A5

Hope

From Page A1

white oak logs outside the plant quickly becomes evident – or as Bailey quipped, “So, you see we will busy making staves for a very long time.”

The stave mill opened in March 2020, just a few weeks before the pandemic struck. While the company had to delay its ribbon cutting until yesterday, the plant kept working. “During that time,” Bailey said, “we produced roughly 12,000 staves a day, which allowed us to create the necessary inventory for Atkins to have when they resumed production earlier this year.”

During the pandemic, the Atkins plant did layoff its workers, but Maggie Anderson, who oversees project development for Speyside Bourbon Cooperage Inc., said the layoff was unique for the company. While other companies regularly adjust staffing for the bottom line, she said, anyone who gets a job with Speyside keeps that position.

According to Bailey, the operation has an annual payroll of \$1.85 million.

Mill employees gathered for the ribbon cutting and received praise from officials.

Dwayne Ball, Washington County Board of Supervisors’ chair, told them that he knows the work is hard, but “you do a very neat craft here.” Ball, who has a background in forestry, described the mill as a good operation.

Virginia Secretary of Agriculture Bettina Ring praised Speyside for overcoming the challenges of the pandemic. Noting that she previously served as a state forester and that agriculture is the commonwealth’s number-one industry and forestry is number three, Ring said, Speyside’s stave mill and coopeage were “tremen-



STEPHANIE PORTER-NICHOLS/SMYTH COUNTY NEWS & MESSENGER

Virginia Secretary of Agriculture Bettina Ring, Del. Israel O’Quinn, and local officials joined mill manager Chris Bailey for a ribbon cutting yesterday. The celebration was delayed by the pandemic.

dous wins for the region.”

Ring also celebrated that the white oak – the only wood that can be used to make bourbon barrels – is sustainably managed and the company works to protect the environment.

Bailey explained, “We collect the dust and chips (an inevitable byproduct of a sawmill) and sell them to landscapers, to large companies for their biomass programs or to composite furniture makers to be used in the production of their products. We use the remainder of that dust in our own boiler system for heat.”

The Appalachian Hardwood Manufacturers Inc. awarded Speyside its Certified Legal and Sustainable designation for its sustainable log buying practices.

Though fresh flowers sat at the base of the speaker’s lectern, the white oak served as the event’s perfume. One of the first larger gatherings of officials since the number of novel coronavirus cases began to drop in the region, no masks were evident and handshakes were back in fashion.

Highlands Park, a partnership of Smyth and Washington counties, is owned and managed by the Smyth-Washington Industrial Facilities Authority, best known as SWIFA.

Officials from both coun-

ties were among those celebrating the occasion.

Randall Blevins, who serves as SWIFA’s vice chair, reflected on the large number of people needed to collaborate to bring the stave mill and coopeage to fruition.

Blevins also took a moment to pitch for future development, saying, “SWIFA is very motivated to develop the rest of the lots in the park.” He went on to ask anyone in the audience representing an industry that might want to expand to see him.

Del. Israel O’Quinn spoke of the rarity of one company impacting two counties so much with one connected project. He pointed to the 160 individuals employed in Atkins and Glade Spring combined.

“I’m grateful Speyside had the foresight to locate here,” the legislator said.

One of those employees, Anthony Denton, of Abingdon, sat in the breakroom on a meal break after the ceremony. This month, he celebrated his first anniversary with the mill.

Denton, who was look-

ing for work, was grateful for the opportunity when he put in an application. He acknowledged that work is fast-paced and challenging, but he smiled and said, “You never get bored.”

Bailey hopes others looking for work will put in their applications. He’d like to get all four lines on the mill floor running and down the road add a shift to the Monday through Friday operation.

After 60 days, Bailey said, employees are awarded full benefits, which includes matching 401K, and the lowest paid are bumped to \$14 an hour.

Bailey acknowledged that the work is hard, but he said, “We’re a small company that’s family-oriented. We have a good time, and we treat people right.”

The mill manager added, “You’re a name and you’re a face here, not a number.”

The company also operates stave mills in Millboro, Va., Manchester, Ky., and Waverly, Ohio.

Speyside is headquartered in the U.S. in Jackson, Ohio.



Plant expects \$40M in sales this year

BY STEPHANIE PORTER-NICHOLS
Staff

Josh Chandler remembers that for years the long shuttered Merillat plants in Atkins looked like a ghost town. Wednesday morning, he welcomed officials into that now renovated space that this year is expected to generate \$40 million in sales.

Those sales will come from about 200,000 bourbon barrels the employees of the Atkins Speyside Bourbon Cooperage are projected to produce.

“To go from ghost town to turning out” those numbers, Chandler, the plant manager, said, “is something we’re proud of.” He also said that the community seems proud. After Speyside announced its plans for the site, he said people would often stop in and thank them for returning life to the promi-

nent structure along U.S. 11.

Chandler, a Bland County resident, has been with Speyside for two years and has seen the building transform from empty with cobwebs in corners to producing 750 barrels a day.

Chandler, who earned his bachelor’s and master’s degree from Virginia Tech in forestry, was heading to Hungry Mother State Park for fishing with his dad, also a Bland County resident and ABB employee. They noticed activity at the plant. Chandler had heard about Speyside’s plans. Later, waiting for his father to run an errand, he pulled up the company’s website and found the opening for plant manager. His was the last resume of 120 submitted.

Chandler remembers interviewing in the then-empty plant building looking at blueprints for the future operation.

Being there from the beginning has been good, Chandler said, noting he helped build the team and its culture.

Charlie Atkins, the Smyth County Board of Supervisors’ chair and representative of the Atkins District, was among the officials on Wednesday’s tour and told Chandler he could remember when the land where the Speyside plant is now was a cabbage field and then later a corn field.

Chandler noted that the current operation continues the commitment to local agriculture and forestry. All its white oak, the wood that must be used for bourbon barrels, is sourced from the Appalachian region. The steel for the rings is also domestically sourced, Chandler said.

As well, a few vestiges from the Merillat

See **SALES**, Page A2

Sales

From Page A1

cabinet-making operation remain, most importantly, some of its former employees. When they were hired, Chandler said they were told, "You're making a cabinet that can hold water."

The process for getting the plant up and running hasn't been without challenges.

Chandler noted that the operation made its first barrel on Dec. 28, 2019, with Jan. 2, 2020, set as its first official day of production.

The Atkins plant was producing up to 550 barrels a day "when COVID caught up with us," Chandler said.

The decision was made to lay off all but eight employees and consolidate the company's work in Ohio for the pandemic. Chandler did note that Speyside was concerned about their staffers' health insurance and paid their premiums throughout the layoff. When the call to return to work was made, he said, 95% of their employees returned. The plant employs about 85 people today.

A current challenge, Chandler said, is the supply of raw materials. White oak logs, he said, are hard to come by, especially since exports to China have picked up. White oak is also used to make fur-

niture. He noted that the Glade Spring stave mill is currently only running two of its four lines because of the log supply issue.

Chandler, who previously worked at a sawmill, said much of the problem is not having loggers in the woods. The average age of existing loggers, he said, is in the 50s. It's hard work with long, hot days, he noted. "You just don't see people going into it."

However, Chandler observed, it's a problem because barrels, furniture, lumber and even toilet paper require loggers.

Steel inventory is also low while prices remain high, the plant manager said. He noted that an order was coming in Friday to the Atkins plant after having been on the books for three months.

Eighty percent of a barrel's cost, he observed, is wood.

To ensure as little waste as possible, Chandler said that dust collection equipment has been installed, including a new silo to capture it. Dust that Speyside doesn't use is then sold to American Wood Fibers, an operation near Chilhowie.

The Atkins plant also creates its own steam with a wood-fired boiler.

As officials toured the operation, Chandler explained the process of the individual wooden staves coming in from mills and being formed into 53-gal-



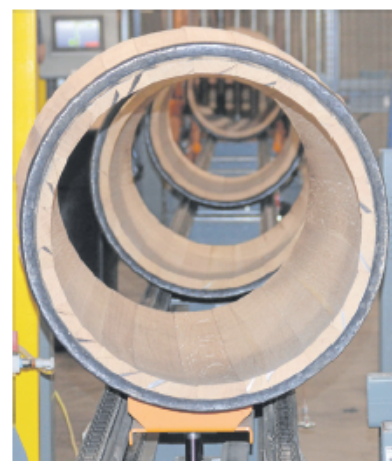
STEPHANIE PORTER-NICHOLS/SMYTH COUNTY NEWS & MESSENGER

Charlie Atkins, Smyth County Board of Supervisors' chair, and Lori Deel, the board's vice chair, listen to Josh Chandler, the plant manager of Speyside Bourbon Cooperage in Atkins, as he explains operations.

lon barrels to charring the interior to a final inspection, which carries its inspector's individual stamp. A stave is a narrow piece of wood with a slightly beveled edge that is used to form the sides of a barrel. Each barrel is made up of 33 staves.

When looking at barrels, Chandler encouraged folks to check out the rivets on the steel band. Those with "SA" were made at Speyside Atkins.

While everyone is carefully monitoring the economic recovery from the



pandemic, Chandler said plans for future expansion in Atkins exist. There's space and the market, he noted with a hopeful eye on the future.

Woodgrain: Adding and saving jobs

Smyth County operation to now include 180,000-square-foot plant in Marion

BY STEPHANIE PORTER-NICHOLS
Staff

New jobs, saved jobs and economic growth brought Virginia's governor to Marion Friday morning. Ralph Northam joined a host of federal, state and local officials to celebrate as Woodgrain Inc. announced a project that will invest about \$17 million in Smyth and Grayson counties, create 100 new jobs, and save 80 existing positions.

A Marion industrial building that had sat empty for about a dozen years hosted the celebration. A former Coffman Stairs plant on Industrial Road, Woodgrain employees have spent the last month cleaning and readying the building. Many of them gathered for the announcement Friday.

Woodgrain, one of the largest millwork operations in the world, is no newcomer to Smyth County.

The company, which makes wood mouldings, doors and windows, has operated in the community for 24 years.

It currently operates a plant off of Lee Highway on the outskirts of Marion that now employs about 175 people. The majority of those employees live in Smyth County, but some travel from Bristol and West Virginia to work there.

On Friday, Woodgrain's Robb Hitch, eastern region millwork manager, said the company was out of room at the Lee Highway plant and had no more room to expand with the Middle Fork of the Holston River on one side and the railroad on the other. In 2016, that operation brought then Governor Terry McAu-

liffe to Marion when it announced an 18,000-square-foot expansion with an expected addition of 17 jobs.

Hitch noted that the Idaho-based Woodgrain began humbly in the community starting with 14 jobs.

Smyth County Board of Supervisors Chairman Charlie Atkins noted the company's growth and commitment to the community, remembering when Woodgrain began its operations buying out a sawmill in the Mt. Carmel area. "To see this today," he said, "is wonderful."

This expansion will add the 180,000-square-foot Marion plant as well as the former Independence Lumber sawmill in Grayson County.

Grayson County Administrator William



LINDA BURCHETTE/SMYTH COUNTY NEWS & MESSENGER

Virginia Governor Ralph Northam spoke with employees of Woodgrain's Smyth County operations Friday morning as he helped announce that the company will create 100 new jobs in Smyth and Grayson counties and save an additional 80 in Grayson.

See **JOBS**, Page A5

Jobs

From Page A1

Shepley told the crowd that he feared the sawmill, that county's largest private employer, and its workforce of 80 were going under "until Woodgrain stepped in."

Now, Woodgrain plans to keep those 80 staffers and add 20.

Hitch explained that Woodgrain, a third-generation family-owned, privately held business, strives to be vertically integrated so it controls each step in the process – from supply to manufacture to distribution.

According to Gov. Northam, Woodgrain plans to invest nearly \$9 million to expand in Smyth County and create 80 new local jobs. It will invest another \$8 million to buy and expand the sawmill.

Kendra Hayden, Smyth County's economic development assistant, said the project has been in the works for about 13 months. She praised Woodgrain for not only striving to keep employees at work during the pandemic but now adding jobs.

Hayden noted that it truly took a village of officials from all levels of government and economic development to bring the project to fruition.

Secretary of Agriculture and Forestry Bettina Ring, who noted that forestry is Virginia's third largest industry, praised Woodgrain for sourcing its wood locally.

Woodgrain owns and manages several forests and sawmills in the Pacific Northwest.

Ring said that local acquisition of wood benefits everyone from forest landowners to loggers. According to the governor's office, this expansion will increase Woodgrain's purchases of Virginia-grown forest products by nearly 20%.

Northam noted that the Grayson sawmill will be Woodgrain's first sawmill on the East Coast and it will serve as the primary supplier for the company's



LINDA BURCHETTE/SMYTH COUNTY NEWS & MESSENGER

Virginia Governor Ralph Northam presented a flag of the commonwealth to Woodgrain's Robb Hitch, far right, at Friday morning's celebratory announcement. He was joined by Smyth County Administrator Shawn Utt and Smyth County Board of Supervisors Chairman Charlie Atkins.

Smyth operation. "This will allow Woodgrain to source 90% of its new forest products needs from the Commonwealth, leading to the purchase of an additional nine million board feet of Virginia-grown forest products over the next three years," said the governor's office.

To assist with the project, Northam said he is awarding Smyth County a \$250,000 grant and Grayson County a \$100,000 grant to assist with the project.

Del. Israel O'Quinn, who represents Grayson County and part of Smyth, thanked Woodgrain for helping "ensure that these two counties will be positioned to grow and thrive and for believing that Southwest Virginia is a good place to live and do business."

Congressman Morgan Griffith added his voice to those praising Woodgrain and he also thanked the local and state officials who helped create and save jobs.

In their distinctive forest green Woodgrain shirts, Hitch turned to his employees and said that they are "the backbone that allows us to expand." He added that, in Smyth and Grayson, Woodgrain will be hiring in the near future.

Woodgrain Millwork has been in business since 1954. Merrill "Bud" Dame observed a sawmill throw-



LINDA BURCHETTE/SMYTH COUNTY NEWS & MESSENGER

Virginia Governor Ralph Northam listens as Woodgrain's Robb Hitch shares the company's distinctive history. It was started by one man in Utah.

ing out small pieces of lumber. He took that lumber to make mouldings. From that beginning, he founded Dame Moulding and Lumber Company, which transformed into Woodgrain Millwork, now a multi-unit global company. It produces and distributes lumber, mouldings, doors, and windows at 27 facilities, employing more than 3,500 individuals.

As the celebration was winding down Friday morning, Smyth County Administrator Shawn Utt said he hoped that this economic development

announcement is the first of many to come for the community. He too celebrated Woodgrain's news. In a prepared statement, he said, "Woodgrain's continued investment at their Atkins facility shows how much they believe in their employees and our community as a whole. We want the company to know how much we believe in them, as well, and appreciate those investments. They have long served our County as a prime employer, and we look forward to many more years of progress and growth."