

Get To Know Your Stock: Weyerhaeuser Company

If a tree falls in a forest and no one is around to hear it, does it make a sound? The jury may still be out on that age-old question, but chances are good that the 118-year-old Weyerhaeuser Company, one of the world's largest owners of private timberlands, had something to do with the forest.



Weyerhaeuser Co. (NYSE: WY) was founded in 1900 in Washington State by Frederick Weyerhaeuser, a timber tycoon who came to the U.S. from Germany at age 18 and initially worked in an immigrant-run brewery, on a farm and in railroad construction before working his way up at a sawmill and running and owning lumber yards. He started the company with

900,000 acres of land he had purchased from the Northern Pacific Railroad—the largest private land transaction up until that time in American history.

Weyerhaeuser Co. currently owns or controls 12.4 million acres of timberland in the U.S. and manages additional timberlands in Canada. It's one of the largest manufacturers of wood products and it's a real estate investment trust (REIT) — a company that owns, operates or finances income-producing properties.

President Teddy Roosevelt summoned Frederick to the White House in 1903 because he wanted to talk to a “practical lumberman” about the importance of forest preservation. Frederick, known as the “Lumber King,” had already begun implementing sustainable forest management practices and the company remains a leader here. Weyerhaeuser Co. was also involved in founding the forest fire protection movement.

During World War I, trees from Weyerhaeuser's forests were used to construct airplanes, wooden ships and army barracks. The U.S. Army turned soldiers into loggers on Weyerhaeuser land to boost lumber output for the war. Weyerhaeuser entered the paper industry in 1931 and this business was dubbed the “Great Depression miracle” because it was profitable during this era while the overall company was not. During World War II, the Weyerhaeuser Steamship Company, which transported lumber for decades, directed dozens of freighters and troop ships.

Weyerhaeuser has led many product and manufacturing innovations, including “balsam wool” insulation and particleboard. The company operates around the world. The 1980 Mount St. Helens volcanic eruption devastated 68,000 acres of Weyerhaeuser land, but workers saved enough downed trees to build 85,000 homes.

In recent years, Weyerhaeuser has sold off its paper, containerboard packaging, hardwoods, shipping and homebuilding businesses to focus more on stewardship and management of timberlands. It's listed on the North American and World Dow Jones Sustainability Indices.