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Arauco Invests \$325 Million to Build Largest Particleboard Mill in North America

By [Karen M. Koenig](#) September 14, 2015 | 9:20 am EDT

ATLANTA, GA - Arauco North America is investing \$325 million to build the largest continuous press particleboard mill in North America. Located in Grayling, MI, the new mill will produce 424 million square feet (750 MCM) of panels per year, along with full lamination capabilities to support the Prism TFL decorative surfacing program.

The plant is expected to break ground in late 2016, and be operational in the latter part of 2018.

Arauco said the investment will generate approximately 250 direct permanent jobs, in addition to bringing economic and community development benefits to the Crawford County region in Northern Michigan. The addition of panel capacity to this geographical area also will improve customer access to a stable, cost-efficient supply of high quality particleboard and decorative panel products, Arauco added, and will complement the supply of MDF from the company's neighboring mill in Sault Ste. Marie, Ontario.

"There is no better way to signal the commitment we have to the renewal and modernization of the North American composite panel industry," said Arauco North America President Kelly Shotbolt. "Our objective with this investment is to improve the logistics of our entire manufacturing footprint, and support the growth of our customers in the Mid-Western Region."

The Michigan Economic Development Corporation, Crawford County, and Grayling Charter Township assisted with the project. It is subject to approval of incentives and permits by both state and local agencies as well as final approval by the Arauco Board of Directors.

Tracing its roots to Flakeboard, Arauco is controlled by the Angelini family and is part of Emresas Copec, based in Santiago, Chile. Arauco has nine mills in North America and 29 mills in South America to produce particleboard, MDF and thermally fused laminate panels.

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