

OPTIMAL LUMBER PRODUCTION PLANNING UNDER UNCERTAINTY

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Abstract

Lumber production planning is critical to make a sawmill profitable. Uncertainties in the recovery factor of the raw material typically affect the amount of product obtained and translate into higher costs when minimum demand constraints have to be met. We present a robust linear optimization model that considers uncertainty in the recovery factor, and compare it with a traditional deterministic model.

Keywords: sawmill production, uncertainty, robust linear model