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Emerging Markets in Biomass: Local Opportunities Mo Bookwalter, Northwest Connections

We have seen a lot of changes in the woods and in the forest products industry over the last decade. Due in part to past timber harvesting practices and fire suppression, many of our forests are unnaturally crowded with small diameter trees. Add to this an expanding Wildland Urban Interface, climate change and drought, and the need for forest management is clear.

Small diameter wood (biomass) is one of the primary products from forest management and restoration activities on both public and private lands. Small wood and mill by-products, in some cases, have become the primary source of revenue for both mills and logging contractors in recent years. But, with the loss of our primary market, Smurfit-Stone, where will this material go? How do we prevent this forest management by-product from simply going up in smoke? How can we turn it into a valued revenue stream? That was the topic of conversation at the recent Seeley Swan Blackfoot Stewardship Summit, "Emerging Markets in Biomass".

Meeting local environmental, economic and social challenges by forging diverse partnerships and harnessing creative ideas to best utilize locally sourced biomass was a clear message that surfaced from the Summit. The biomass event was successful in exploring the challenges and opportunities for small diameter wood utilization and kick-started localized and regional efforts to expand our market and business capacities to utilize this wood in ecologically sustainable and economically viable ways.



Anne Dahl, Kvande Anderson, Nathan Richardson and other participants discussing the potential for converting public facilities to wood heat.

Much of the event's success stemmed from the folks that participated in the summit. A diverse group attended – each bringing thoughtful, practical and varied perspectives helping to inform where regional action can be taken.

Participants included logging contractors, local businesses, restoration practitioners, community groups, congressional staff, environmental organizations, economic development organizations, state and federal agencies, industry and landowners. Together, this group made a great team in moving the discussion and opportunities for biomass utilization forward for the Seeley, Swan and Blackfoot.

There was a keen interest in local business diversification and market development as participants looked for economic opportunities to utilize wood that would otherwise go up in smoke. A key message was to maximize the value of by-products from forest restoration and fuels mitigation.

The perceived challenges in developing new biomass businesses and markets soon turned into real possibilities after hearing presentations from speakers from rural communities in Elk City, Idaho and Enterprise, Oregon. Nils Christoffersen, Ben Hensen and Joyce Dearstyne joined the event to share their stories on how their rural communities have worked to utilize biomass to meet ecological, economic and social goals.

Joyce is the executive director of Framing our Community, a small non-profit in Elk City, Idaho – a community of roughly 400 people. After losing their mill, the community fought to retain resource based jobs by creating a business incubator that could assist new businesses in utilizing small diameter wood coming off of surrounding Forest Service fuels reduction projects.

This business incubator helped to start several different businesses that now produce bundled firewood, fencing, pallets, custom cut log cabin kits, shade trellis, and siding. The incubator houses a custom mill and planer, log sort yard and dry kiln.

The community's future plans are to triple the size of their business incubator, install a gasifier unit for heat, biofuels, and power and to construct two greenhouses heated by the gasifier.

Through local market creation some of the products made at the incubator are purchased for restoration projects right in the community, reducing transportation costs and maximizing profits.

Dearstyne commented that their model illustrates that “everything is an integrated program that feeds the next, which feeds the next. [Framing Our Community] wants to use everything that comes out of our forests. We don't want Mom and Pop out of work, so we focus on small and mid-sized projects.”

The small town of Enterprise, located in Wallowa County, Oregon has faced similar challenges with mill closures and the subsequent loss of skilled workers. The presentation given by Wallowa Resources executive director Nils Christoffersen and entrepreneur Ben Hensen illustrated that their partnership has led to measurable and significant progress.

“[Wallowa Resources] didn't want to keep waiting and waiting to do something big. We wanted to do something now and start putting people to work...” said Christoffersen. And that is just what they did.

The non-profit and for-profit partnership led to the creation of an integrated biomass utilization campus in Enterprise. The campus was built to accommodate the existing available supply but with the ability to scale up as economics and politics allow for additional treatment acres on public and private ground. “Building something appropriate to the size of the supply out there is important,” comments Hensen.



Participants including Megan Birzell (L) of Clearwater Resource Council and Juanita Vero (2nd from right) of BBCTU and Greenough, working hard, discussing biomass opportunities for the Seeley, Swan and Blackfoot.

The partnership works to assist new business development, often by helping to shoulder some of the initial risk, providing market assistance, financial management services, and business and manufacturing services. To date, the campus has created 11 new businesses with job creation on and off the campus. Some of the products include densified wood in the form of briquettes, commercial firewood, post and poles, and a new combined heat and power plant. In addition, they assist in supplying thermal energy to more than 5 county schools, with big cost savings in school operating expenses.

These examples, coupled with the presentations by our state and federal partners, Pyramid Lumber and the Montana Community Development Corporation highlighted the potential for local opportunities, including a co-generation plant to produce biomass power at Pyramid Lumber.

This started a great conversation of what the possibilities are – and what challenges still lay ahead. Participants agreed that this region has more opportunities than other places because we have an operating mill and a forest management infrastructure still in place.

Loren Rose, comptroller for Pyramid Mountain Lumber was encouraged by the examples from Idaho and Oregon, as well as the work being done to expand biomass utilization potential at Pyramid. He sees potential to expand business opportunities on and off the mill site.

"Listening to the day's discussion illustrated that there are a lot of things that could happen here to utilize the supply we have while creating more jobs. The current industry here, including Pyramid, needs to ask how we can help create new business opportunities, which will in turn, support the infrastructure that is already here. It's about working hand in hand."

As we continue this discussion about regional possibilities to utilize biomass we need to partner and work together to meet ecological and economic sustainability. Our Forest Service partners will be key to this discussion. Amber Kamps, Lincoln Ranger District, said that the summit was critical in providing both knowledge of what biomass options and markets are succeeding in other areas and most importantly that our communities feel this issue is critically important.

New opportunities are on the horizon to assist communities in diversifying the use of small diameter wood. There has been an increase in federal and state renewable energy portfolio standards, elevating the idea of producing energy from wood. Other federal and state programs are being developed to help communities reduce wildfire costs and adapt to climate change, focusing on product utilization and job creation. And, communities across the country are rising up, determined to stay competitive while producing locally sourced heat, energy and other value added wood products. Now is the time for our region to take advantage of these opportunities.

We need diverse partners to be involved to keep the ball rolling. Please contact any of the sponsoring organizations if you are interested in continuing the conversation and opportunities discussed at the Summit.

The Seeley-Swan-Blackfoot Stewardship Summit: "Emerging Markets in Biomass" was hosted by the following organizations: Blackfoot Challenge, Bolle Center for People and Forests, Clearwater Resource Council, National Forest Foundation, Northwest Connections and Swan Ecosystem Center.