



Pellet Business Going Strong

Bear Mountain Forest Products isn't letting a little thing like a housing slump slow them down

By Roy Anderson

In 1977, when it cost just 65 cents for a gallon of gasoline, Woodex International opened North America's first wood pellet manufacturing plant in Brownsville, Ore. It had one 250 hp pellet machine, which produced about 50 tons of pellets per day. The pellets were sold to nearby industrial users who burned them for steam and process heat.

Today, cheap gasoline is history, but the Brownsville pellet plant, now owned by Bear Mountain Forest Products, is still going strong. This year, the plant will produce about 120,000 tons of premium grade residential pellets while operating at 80 percent capacity.

The reduced operating capacity isn't because of weak demand for pellets, but rather a weak housing market, which has caused lumber production at nearby sawmills to drop. This in turn has caused the supply of sawdust and planer shavings -- the raw material for pellets -- to decrease at a time when demand for pellets is rising. This combination of market factors has more than doubled Bear Mountain's raw material cost over the last year.

Fueling Up

Bear Mountain Forest Products' founder and current president, Bob Sourek, was originally a forester. He started the business in 1988 in Hood River, Ore., based on two observations: many homeowners were switching to pellet stoves for home heating, and many nearby sawmills had mountains of cheap sawdust readily available for pellet manufacturing.

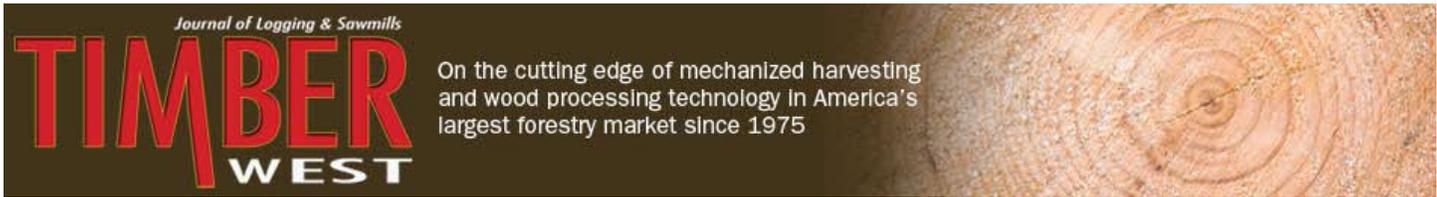
The company grew steadily over the next decade employing up to 28 people and producing a variety of products including pellets, compressed fire logs, BBQ pellets, and animal bedding. However, production eventually maxed out at about 30,000 tons annually and growth slowed.

Then in 2001, Bear Mountain acquired Jeld-Wen's Golden Fire Premium Fuel Pellets in Brownsville. "It was a case of the little fish consuming the big fish," says Stan Elliot, Bear Mountain's Vice President of Sales and Marketing.

Daily Operation

The Brownsville plant employs about 30 hourly employees who oversee an equipment line-up that includes rotary driers (one Heil and one MEC). The driers bring the green sawdust down to about 10 percent moisture content in preparation for pelletizing. The driers are heated by burning the same sawdust that goes into making pellets. According to plant manager Doug George, about 15 percent of the plant's sawdust is used to fire the driers.

After the sawdust is dried, it is sized for pellet manufacturing by two Sprout hammermills. Next, the dry, sized material is fed to one of five 500 hp Andritz Sprout pellet mills. Each mill has a 26-inch diameter ring-shaped die and roller that is capable of extruding up to five tons of pellets per hour.



No adhesives or other additives are used. Instead, when the sawdust encounters the high pressures in the die, it heats to the point that the lignin component plasticizes and flows around the cellulose strands, thereby forming a matrix that when cooled yields a very strong, durable pellet.

Distribution

The pellets are packaged in 40-pound bags and stacked onto pallets. Depending on the customer, each pallet is loaded with either 50 bags (1 ton) or 60 bags (1.2 tons). Each pallet of pellets is covered with a heavy all-weather UV cover, which allows for outside storage of finished pellets. Although nearly all production is packaged into bags, the elevated surge bins do allow Bear Mountain the option of selling truckload quantities of bulk pellets.

All of the Brownsville plant's pellets are distributed to the residential home heating market under the Golden Fire, Bear Mountain, and America's Best brand names. According to Elliot, branding is an important aspect of pellet marketing. This is because each pellet manufacturer characteristically uses a certain species mix for their raw material. Since pellets made from different species yield different amounts of heat and ash, consumers develop strong brand preferences.

Elliot says that, "Bear Mountain enjoys long-time customers that won't switch brands even in some cases where other brands are cheaper." Elliot says this is because the Brownsville plant has a long history of delivering a product with consistent burn characteristics.

Bear Mountain is optimistic about its future. The team feels they have positioned the company to take advantage of increasing demand for pellets, which is being driven by the rising cost of other heating fuels.

Who knows, maybe the Brownsville plant will still be going strong when, years from now, people fondly remember the days of \$4.00 a gallon gasoline.