

Integrated Biomass branches out

Written by Katy Nesbitt, The Observer January 21, 2010

WALLOWA —

Wallowa County's wood products industry is seeing some improvement with the creation of seven jobs at Integrated Biomass in Wallowa. David Schmidt, formerly of Community Smallwood of Wallowa, opened his forest products business in August with brother-in-law Matt Friesen.

Integrated Biomass started by focusing on the bundled firewood market. In the company's city-owned facility on the Wallowa truck route, they have equipment to cut logs into 16-inch lengths, split into firewood and wrap in cellophane. The bundles are stacked onto pallets and wrapped for easy loading onto the trucks of their distributor.

In the fall, the company brokered a five-year contract to supply chips for the Enterprise High School biomass-fueled furnace, Schmidt said. In the spring, they will begin a third division of the company — making densified fire logs.

"Four densified fire logs will burn in a woodstove all day," Schmidt said.

The fire logs, made of compressed wood shavings that would otherwise be considered a waste product, are a highly efficient source of fuel, Schmidt said.

Integrated Biomass decided to make the densified fire log instead of wood pellets because a pellet stove is required to use them. The fire logs can be used in conventional woodstoves and fireplaces and, Schmidt said, he wanted to make a product that can be used locally.

"Most people in Wallowa County who use wood heat already have woodstoves," Schmidt said.

Starting Integrated Biomass is the culmination of Schmidt's aspirations in the forest products industry. Schmidt grew up in a small, forest industry-based town in British Columbia. After high school he ran a reforestation business, cleaning up after logging operations.

"We would burn mountains of piles of logs," Schmidt said. The diseased trees had no apparent market value, so were destroyed on site.

Seeing vast amounts of forest killed by pine beetle and timber going up in smoke, Schmidt decided to attend Oregon State University with the intent of pursuing a career in forest health.

"I wanted to find a useful resource for bug kill, wood that was essentially wasted," he said.

When Schmidt graduated with a wood science and engineering degree from OSU's School of Forestry, he took an internship with Jeld Wen in Klamath Falls. After working less than a



Matt Friesen, left, and David Schmidt, started Integrated Biomass Resources in Wallowa.

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year for the window manufacturer, he decided to return to his original passion, forest health. Schmidt took a position with Sustainable Northwest in Portland working on a project called Healthy Forests, Healthy Communities. The goal of Healthy Forests, Healthy Communities is to help rural small businesses gain access to bigger markets, Schmidt said. Community Smallwood is one of 60 companies in the Northwest involved in the program. This was Schmidt's first introduction to Wallowa County.

Upstream 21, an umbrella company for several small wood product companies, bought Community Smallwood. Schmidt went to work for Upstream 21 to help manage Community Smallwood and two other small wood product companies in Southern Oregon.

"The whole time I was with Sustainable Northwest I had kept my original vision," Schmidt said.

He grew up in a small town completely dependent on the forest industry and he wanted to help communities in Oregon that were suffering from a lack of jobs with declining forest health.

"Many communities throughout the West are affected by public land ownership. The economy is struggling, there is high unemployment and forest health is in decline with overstocked forests at high fire risk," Schmidt said. "The bigger picture of these small towns is, 'What are we going to do?'"

He wanted to help return these communities to their past natural resource management ethic. Schmidt saw a natural outlet to these issues in biomass.

"Five years ago biomass was all the buzz," Schmidt said.

At this time, he was on the governor's statewide biomass working group. His career agenda, his work on the state level and the focus of Upstream 21 dovetailed nicely.

"The shareholders love the industry," he said. "They buy existing companies to make them stronger. They are not about buying and selling business. They contribute to the local economy and are very focused to expand horizons."

When he left the company, Schmidt said the management was very supportive of his going out and starting his own business.

Schmidt felt his experience with Upstream 21 had given him a good exposure to wood products and the customers. He felt ready to start something of his own. Last summer he and Friesen went into business and relocated their families to Wallowa County.

The biggest benefit of using biomass, Schmidt said, is that it can be used in furnaces and to make processed fire logs out of what used to be considered waste product. The chips and fire logs are so heavily processed they can use diseased trees without risk of re-infecting other areas.

"Wallowa County feels like home. It's much like where we grew up. We feel passionate about social justice, creating jobs and the lifestyle of a small county. We want to stay in our community, live the lifestyle and work in natural resources.

"Recently, many people have had to move away to get jobs. Tourism isn't going to be that great if we don't take care of forest health. We love the outdoors and the mountains. This is an awesome opportunity on every level."