

# Mill waste no longer just dust in the wind

BY CLARKE CANFIELD

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CASCO, Maine — As huge saws rip through logs at the Hancock Lumber sawmill, sawdust flies through the air and coats equipment, floors and rafters. Far from a nuisance, though, the sawdust is commanding premium prices as housing construction slumps and energy costs grow.

From Maine to Oregon, the price of sawdust, along with other wood byproducts, has soared.

When they can find it, sawdust buyers — dairy farmers, particleboard makers, wood pellet manufacturers among them — are paying up to \$50 a ton or more. That's double what they paid a year ago, some say.

There was once a time when sawmill operators could barely give away their sawdust. They dumped it in the woods, buried it or incinerated it just to get rid the stuff. These days, they have ready markets for sawdust, as well as bark, wood chips and board trimmings that can't be sold as lumber.

"Now the only things in a sawmill that aren't salable are the whine of the saw blade and the steam from the kiln," said Peter Lammert, a forester for the Maine Department of Conservation who has tracked the industry for decades.

At the Hancock Lumber sawmill in this small town west of Portland, logging trucks arrive daily loaded with eastern white pine logs. As they go through the mill, the logs are debarked, cut, sized, planed, graded and sorted as they are transformed into lumber.

Along the way, sawdust and wood chips fly through the air. Much of it falls through grated metal walkways and onto a mazelike system of conveyor belts that carry and separate all of the leftover wood byproducts, all of which is sold for different purposes. The bark becomes mulch for landscaping; the shavings are used for animal bedding; larger scrap pieces are used in biomass power plants.

The bulk of the byproduct is sawdust, which eventually is blown through a metal pipe and into a nearby storage shed. On a recent March day, the shed was filled with a 20-foot-high mountain of sawdust that sawmill manager Mike Shane estimated weighed about 150 tons.

In the cold months, the mill uses the sawdust to power its own furnace for heat and to run its kilns that dry the lumber. But when the weather warms up, it sells its supply to dairy farmers for animal bedding and to plants that manufacture wood pellets that are burned in wood stoves and furnaces.

In the past year or so, the price has roughly doubled, Shane said. "A truckload of sawdust has gone from \$600 to \$1,200," he said.

The numbers tell the story of what's going on.

In the first three months of the year, U.S. sawmills have been shipping about 114 million board feet of lumber per day, said Henry Spelter, an economist with the U.S. Forest Service forest

products laboratory in Madison, Wis. That's down from 135 million board feet per day the first three months of last year, and 160 million board feet in 2006.

Less lumber means less sawdust.

At the same time, wood pellet plants are popping up in need of raw supply, thereby increasing the demand, he said. "The result, not surprisingly, is higher prices," Spelter said.

In the Northeast, the tight supply has forced some dairy farmers to travel hundreds of miles to get sawdust for animal bedding. Many farmers are turning to sand, shredded newspaper or other materials.

Even Ralph Caldwell, who owns 400 dairy and beef cows at his Caldwell Farms in Turner, has changed from sawdust to sand for bedding — even though he's also a sawdust distributor, buying from sawmills and selling to other farmers.

In the past year, a trailer load of sawdust has gone from \$800 to \$1,400, he said. He gets calls from New Hampshire and Vermont farmers who are paying \$300 or \$400 more than that, and some tell him they can't even find sawdust.

Caldwell blames the tight supply and high prices on what he calls "failed" energy and trade policies at the federal level.

Energy policies have resulted in sky-high oil prices, causing people to turn to sawdust for heat and power, he said. Trade policies have driven furniture and wood product manufacturers offshore, resulting in less sawdust on the market, he added.

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