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NEWS

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Beetle-kill wood product reduces post-wildfire erosion

Steamboat Springs business utilizes state, federal funds to launch business

STEAMBOAT SPRINGS, Colo. – Private landowners and public land managers soon will be able to use a novel type of straw made from beetle-kill Colorado pines to help reduce erosion and flooding after wildfires.

Rogue Resources Inc., a Steamboat Springs-based forest products business, is now manufacturing WoodStraw® Erosion Control Mulch to reduce erosion and runoff in burn areas, thanks to financial support from the Colorado State Forest Service, U.S. Department of Agriculture and The Conservation Fund's ShadeFund. The business is turning beetle-kill lodgepole pines into an environmentally friendly, cost-effective erosion mitigation product. The venture also provides jobs in Routt County, and helps reduce wildfire risk through the removal of standing dead fuel.

“Thanks to the Colorado State Forest Service and their lending partners, our company was able to obtain the necessary funding to establish Colorado’s first manufacturing facility to produce our product,” said Trent Jones, controller for Rogue Resources. “The loan we received also helped our company to successfully compete and recently be awarded a working capital grant from USDA Rural Development.”

Recently burned areas with erosion concerns, such as the High Park and Waldo Canyon sites, as well as areas that will be impacted by future wildfires, soon could benefit from the application of this product.

Wood Product Ideal for Land Rehab, Addressing Beetle Kill

WoodStraw® is an erosion-control material composed of interlocking wood strands that offer highly effective wind and water erosion-control capabilities – making it useful for burned area emergency response, as well as other disturbed-soil projects, such as rehabilitation after road maintenance, mining and construction. The straw, which is essentially small, narrow wood strands of relatively uniform size, is created by shearing lumber through specialized machinery. The feedstock for the process – in this case, beetle-kill lodgepole pines – is fed into a machine that produces the patented WoodStraw®, which can then be purchased in 50- or 600-lb. bales.

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Like other forms of ground cover applied to rehabilitate burned areas, WoodStraw® helps minimize erosion and runoff by preventing the formation of rills and small channels in the soil, and by intercepting raindrops before they can strike the ground. The straw is free of weeds, pesticides and chemicals; provides an economical use for beetle-kill wood and incentives to remove dead fuel from the land; can be applied by hand, mechanized blower or from aircraft; is resistant to high winds; and may remain effective for up to four years.

Rogue Resources recently began manufacturing the patented product after reaching a licensing agreement with Forest Concepts LLC – a small business in Washington State that owns the production rights. Rogue now has the exclusive right to manufacture, distribute and sell the straw within a five-state area that includes Colorado.

“It makes perfect sense to convert beetle-kill trees into an engineered mulch that will promote regeneration of new living trees,” said Jones, in a Forest Concepts news release. “WoodStraw® historically produced from Douglas-fir has already been used on projects in Colorado, such as the Fourmile Canyon Fire near Boulder.”

Production Possible because of CSFS Loan

In response to the challenge forest products businesses face when seeking capital, four years ago the Colorado Legislature passed a provision to establish a Forest Business Loan Fund. As part of State House Bill 1199, the fund provides lending capital to small and emerging forest products businesses. Rogue Resources received such a loan from the CSFS in 2012 to allow initial production of WoodStraw®.

Tim Reader, CSFS wood utilization and marketing forester, says that this is the third Colorado forest products business to receive a loan under a CSFS partnership with the Upper Arkansas Area Development Corporation.

“Access to financing for purchasing equipment is often a need for today’s forest products businesses, and this loan program addresses that problem,” said Reader. He emphasizes that the fund does not compete with commercial lending institutions, but serves to target businesses that may not qualify for loans with traditional commercial lenders.

Reader says that another major benefit of the Forest Business Loan Fund has been the ability to leverage additional lending capital for Colorado forest products businesses. In the case of Rogue Resources, it was The Conservation Fund’s ShadeFund, which provides small loans to businesses nationwide that are good stewards of natural resources.

“ShadeFund is proud to partner with the CSFS to fund Rogue’s expansion,” said Rick Larson, ShadeFund Director. “WoodStraw® makes innovative use of beetle-kill trees for erosion control and creates new employment in Colorado’s forest products industry. This fits nicely with The Conservation Fund’s long history of working with the CSFS to conserve Colorado ranchland and forestland.”

In 2012, the CSFS provided a forest business loan, administered by the Upper Arkansas Area Development Corporation and partially funded by lending capital from the ShadeFund, to allow Rogue Resources to create the anti-erosion wood product. Rogue utilized the loan to purchase and install manufacturing equipment, expand its product line and add employees to its Steamboat Springs facility.

“During our review of the Rogue Resources loan application, the Upper Arkansas Area Development Corporation Board of Directors realized the need for creative leadership in commercial lending for Colorado’s emerging forest product businesses, and judiciously balancing the lending risk of this business and industry,” said Jeff Ollinger, president and administrator for the UAADC, which also has worked with the CSFS on loans provided to two other Colorado businesses.

“The loans we’ve made are already being repaid, and these repayments become available to lend to additional forest product businesses,” Reader says.

USDA Grant Assures Continued Production

Rogue Resources recently received another boost to its production potential when Agriculture Secretary Tom Vilsack announced that the business received one of 110 nationwide grants provided to agricultural producers and rural businesses. USDA Value-Added Producer grants help create jobs and develop new products, by allowing agricultural producers to increase income by expanding marketing opportunities, creating new products or developing novel uses for existing products. On May 1, the USDA awarded Rogue Resources a \$300,000 grant under the program, which they applied for in 2012.

“This support will benefit rural businesses and the communities where the recipients are located,” Vilsack said in a USDA news release. “These awards also will advance USDA’s goals to develop a bio-based economy.”

Three of the USDA awards were made in Colorado, but Rogue Resources was the only forest products enterprise to receive an award.

For more information about WoodStraw®, contact Trent Jones at 970-879-0962 or trent@mpinem.com.

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