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IMPACTS OF THE WOODY BIOMASS UTILIZATION GRANT PROGRAM IN EASTERN OREGON

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Utilizing woody biomass from public lands may help reduce agency costs, enhance community wildfire protection, and create employment and economic activity. Yet communities adjacent to public land often lack the business capacity to harvest and utilize biomass. Businesses face challenges such as limited access to capital and markets, technical assistance, and inconsistent material supply. From 2005–2010, the USDA Forest Service’s Woody Biomass Utilization Grant program provided resources to address these barriers. We evaluated the impacts of this program on business capacity in eastern Oregon.

Approach

We examined grants awarded between 2005 and 2010 in eastern Oregon using document analysis, semi-structured interviews, and economic impact analysis.

Results

This relatively small program (\$5 million authorized nationwide annually) contributed to regional biomass processing capacity in eastern Oregon, despite challenging market and economic conditions. It also created economic activity, employment, and wages (Table 1). Outcomes such as increased acres treated and reduced costs were less discernible, and there was no concurrent investment in agency capacity to implement biomass removal projects. Specifically, we found that:

The Woody Biomass Utilization Grant program increased business capacity. Most grants were for processing equipment, which enhanced grantees’ capacity to diversify supply and product lines. Some enterprises were able to access biomass

from national forestlands for the first time; others improved their ability to use smaller-diameter logs for value-added products, increasing the amount and types of forest biomass supply they could use. This diversification helped many grantees weather economic recession years.

The program contributed to overall biomass industry capacity. The broad scope of the program allowed simultaneous investment in multiple facets of the biomass supply chain. By adding new harvesting and processing equipment, the program sustained and accelerated biomass industry development in eastern Oregon, thereby increasing capacity to utilize biomass from nearby national forests.

Intermediaries and unit-level Forest Service staff were key to program delivery and success. Intermediaries such as nonprofit organizations and Forest Service personnel identified prospective grantees with strong business models and



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opportunities to innovate, offered grant writing assistance, and contributed significant technical, financial, and networking skills in grant implementation.

Grantees wanted more supply from public lands.

Grantees found it difficult to obtain biomass from national forests. Stewardship contracts were important in some places for creating supply, but use of stewardship contracts was not consistent across forests.

Implications

During the study period, the Woody Biomass Utilization Grant program funded equipment acquisition, filled gaps in regional industry, contributed to local and state economies, and supported networks of technical assistance and learning, increasing regional biomass utilization capacity in eastern Oregon. However, a general lack of supply posed difficulties for some grantees.



More information

The complete study can be found in EWP working paper #46: “The Impacts of the Woody Biomass Utilization Grant Program in Eastern Oregon and Eastern Arizona,” which is available at: ewp.uoregon.edu/publications/working.

Table 1 Woody biomass utilization grants in eastern Oregon, 2005-2010

| | |
|------------------------------------|---------------|
| Number of grants | 14 |
| Total grant funds | \$3.2 million |
| Total matching funds | \$3.4 million |
| Total one-time spending impacts | |
| <i>Jobs created or retained</i> | 51 |
| <i>Wages generated</i> | \$3.9 million |
| <i>Economic activity generated</i> | \$6.1 million |
| <i>Tax revenues</i> | \$1.1 million |

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