

INTERNATIONAL

ISSUE 8 • FEBRUARY 2009

# forest

industries

[www.internationalforestindustries.com](http://www.internationalforestindustries.com)

## SAW TECHNOLOGY

*Improving efficiency & reducing waste*

## BATTLE FOR SUPREMACY

*Chipping technology fighting for market share*

## CARVING OUT A NICHE

*The best tool for a unique job*

## ENERGY CIGARS

*Making biomass bundles*

## RED PERIL

*Kiwi welcomes Komatsu Forest invasion*



**JOHN DEERE**

Nothing Runs Like A Deere

# Merger creates integrated biomass supplier

*Two leading suppliers to the biomass industry have joined forces to create an even more capable equipment supplier. Chris Cann talks to Doug Sublett, Sales and Marketing Manager for the newly formed Jeffrey Rader Corporation*



*Jeffrey Rader's chipper*



*Doug Sublett*



There are a lot of areas within the biomass market that are still evolving and I see us developing equipment and products to meet those needs as they grow



## **International Forest Industries: How did Jeffrey Rader find its way into the forestry and biomass sector?**

**Doug Sublett:** Jeffrey Specialty Equipment has always made crushers for the mining industry, and over time a market was developed for crushers in the forest products industry. These units are used for grinding up bark and materials to burn in boilers and for recycling purposes.

So from the Jeffrey side of the business we were already established in the forest product side with crushers for a number of years. Rader Companies was also well established in the forestry industry, specifically in pneumatics. Rader built on its experience with other types of material handling products to serve the pulp and paper industry.

Both Jeffrey and Rader were successful in the mining and forestry industries. Combined, we still do a quite a bit of business in the mining industry, not only with our crushers and material handling equipment, but also with our vibratory feeder line that grew significantly in 2008. Both mining and forestry are still very important, but as we look at growth opportunities we think the biomass sector has probably the greatest potential, which is why we are focusing a lot of our energies in that arena.

So for both Rader and Jeffrey, working with the pulp and paper industry and burning up their woody residuals is something that's been going on for a long time – it's not new. But what is new, is the burning of biomass in huge quantities to produce power for the general public.

## **IFI: How did the merger between Jeffrey and Rader come about?**

**DS:** Jeffrey Rader's parent company K-Tron International is always looking for acquisition opportunities like Rader. K-Tron likes companies that are strong brands and leaders in the markets they serve. Rader made perfect sense because it had a very strong brand name in the pulp and paper industry, was positioned well for the biomass industry and had only one competing line with Jeffrey so the two companies integrated nicely and the products are complementary. January 4, 2009 was our first official day as one company.

If we're just looking at the biomass sector, Jeffrey does the size reduction and Rader does all the material handling. Combined, we can feed, crush, store, convey and screen materials for biomass.

We're seeing the benefits of the merger already. Typically where one company might have received an inquiry and the other wouldn't, we're able to talk to the customer about a broader offering. So we're able to expand with every lead with what we can offer that customer. We're also able to look at how we process and apply different pieces of equipment. Where as before Jeffrey was looking at size reduction and Rader was looking at material handling, they were on different paths. Now we're on the same path and I think that brings a lot to the table.

## **IFI: Has the merger been a smooth process?**

**DS:** With respect to personnel, yes, it's been great. I've been surprised how well everyone has come together and adopted new processes and new ways of thinking. As with any merger



Jeffrey Rader has a range of pneumatics equipment to offer clients

there are different cultures but both groups of employees have said 'this is a great thing and it's a great opportunity for everyone'. They realised there were new things that they both had to learn and have fulfilled those expectations. January 4 came and we started up business like we do any other day – we never missed a beat.

I think there's a new culture being established. You have people with certain ways of thinking on both sides of the fence, but it's up to senior management to make sure everyone is looking at the bigger picture. The openness of all the employees to look at things in a new light is what has been the most surprising and probably the most enjoyable aspect of the merger.

With respect to our customers, the response has been overwhelmingly positive. Many stated that it makes perfect sense to integrate our two companies. We're finding that potential customers are intrigued to find one company offering so many solutions to its material handling needs under one roof.

**IFI: Has the merger had an added and unforeseen bonus of financial security given the economic situation?**

**DS:** Jeffrey and Rader are a perfect match. The economy is going to have its ups and downs, and at the moment it's taking everybody for a ride. Regardless of the economy, K-Tron believes that bringing these two companies together has made us a stronger entity as a whole. We're looking to capitalise on every opportunity we can, and I think the merger will increase our ability to do that.

**IFI: How do you see the low oil price and the economic situation affecting the demand for alternative fuels like biomass; and what changes do you expect to see in the demand for re-sizing and material handing products?**

**DS:** Everybody is going to turn the lights on

every day and everybody is going to use electricity and power. In most recessions and economic downturns, the utility and energy areas tend to weather that a lot better than other sectors and that's where I see us positioned right now. The emerging biomass projects tend to be in that energy/utility sector so right now we're feeling comfortable.

I don't think low oil prices will make alternative energy less attractive. Everybody is going to continue to push for these alternative fuels and everybody has had a good taste of what high oil prices can do to you. Europe has adopted alternative fuels based on carbon emissions rather than oil and the US is adopting it more everyday. With the new administration coming in the US, which appears to be behind it too, alternative fuels are still a real growth area.

**IFI: Are you expecting more specialist biomass gathering, processing and burning technology coming to market over the next few years as the trend toward alternative energy continues; and is Jeffrey Rader working on anything in particular in that vein?**

**DS:** It's funny the way the biomass market is evolving. You still have a lot of people talking about cellulosic ethanol production made from

“ Both mining and forestry are still very important, but as we look at growth opportunities we think the biomass sector has probably the greatest potential, which is why we are focusing a lot of our energies in that arena ”

woody biomass or other materials. So there are a lot of areas within the biomass market that are still evolving and I see us developing equipment and products to meet those needs as they grow.

The most viable biomass material at the moment is woody biomass. It's what people have been accustomed to using, the technology is developed, and it's an available resource. The other materials like agricultural biomass (switch grass, corn stover, etc.) are definitely viable but have some downsides to processing so we'll look at each of those applications to see if they're sustainable. We'll most likely develop some additional products to service that area. We've got some products that are currently in testing that we're looking forward to introducing to the biomass market. A lot of that has to do with size reduction and the ability to that more efficiently.

Nothing we do is standard. We build systems according to our customers' requirements. Recently I've noticed a trend toward pulverised coal boilers to burn woody biomass. Most of those systems require fine grinding and pneumatic direct inject. Rader was founded on pneumatics and Jeffrey as a size reduction company so when you look at Jeffrey Rader as a whole we're well positioned to serve the biomass industry. **IF**

**Call for your FREE Catalog!**

**"Our Focus Is On Your Production!"**

**AC-36 High Production Sawmill**

- Fast
- Accurate
- Proven

- 30hp - 62hp models available - able to produce 1000+ bd. ft. per hr.
- Heavy Built - handle logs up to 36" diam. & 10,000 lbs. in weight
- 26" Fully balanced, vibration free, metal band wheels - excellent for prolonging blade life

**1-334-692-5074**  
**www.cookssaw.com**

**Cook's Saw Mfg., LLC**