

Pulp

Continued from Page C1

high-quality trees for sawlogs to go toward lumber production, while lower-quality trees deemed unsuitable for lumber are harvested for pulpwood.

Hunt said larger companies are better able to spend the money necessary to compete in an ever-shrinking market for pulp and paper products, but the outlook is not overly positive.

“Big operations can ground product into biomass and wood pellets, but there are only so many wood pellets you can sell,” Hunt said.

Hunt said a drop-off in wood chip sales is a major reason the forest products industry is in trouble.

Wood chips, solid material produced in the process of cutting or chipping larger pieces of wood, are used as raw material for producing wood pulp, fibrous material used as the basis in the production of paper.

Wood chips are still a marketable commodity in the creation of biomass solid fuel and organic mulch for use in landscaping and gardening. These new markets, however, are not yet as lucrative as the long-standing pulp mill industry.

In the past, the sale of wood chips, sawdust, and bark have helped sawmills throughout the nation meet their overhead costs and retain their workforces.

There are still new and expanding markets for these stalwarts of paper and pulp.

Hunt said the Jefferson mill still sells sawdust to farmers, bark to landscapers, and wood chips to pulpwood companies.

However, the economic value of these goods has declined substantially, creating stress on operations throughout the state.

When Hunt purchased an automated mill for his Damariscotta operation in the 1970s, he planned to pay for half through the sale of wood chips produced by the mill.

“The chips more than paid for the mill,” he said. “I covered the

cost because of a strong pulpwood industry.”

Currently, Hunt’s operation in Jefferson specializes in sawed pine and hemlock chips, less popular than hardwood chips in the growing domestic biomass industry.

The biomass industry is centered on the use of organic matter derived from plant-based materials to be used as a source of energy to power utilities.

“Right now we can’t sell pine pulpwood. There is no mill locally taking pine and hemlock chips,” Hunt said.

Maine Forest Products Council Executive Director Patrick Strauch concurred with Hunt’s assessment, saying the current market for low-grade wood is an issue facing Maine’s sawmills.

He said sawmills are concerned about the market for low-grade wood and often reluctant to harvest, whereas the market for high-quality wood, found in a tree’s base, is much stronger.”How do we encourage markets to be strong for all parts of the tree?” Strauch said.

Whatever steps sawmills and their counterparts at paper and pulp mills take to operate in the current economic environment, Hunt said the industry cannot afford to remain idle.

“We can’t afford to shut down a year and make up our minds. If we lose the pulpwood and sawmill industry, you just can’t start it up again,” Hunt said.

Hunt reiterated the important role sawmills have played throughout the state’s history, saying a continued slump in pulp and paper will have impacts on other portions of Maine’s economy.

“The crisis is, if mills can’t get rid of chips, they are shutting down. It’s not just 500 jobs; it’s 50,000 jobs. The industry is connected with other jobs. What do we have to do to hold it together?” Hunt said.

Those with ties to pulp and paper in Maine can find some optimism in proposals to export low-grade wood chips to Europe, which could provide a lucrative new market for the products.

Cull, or waste wood, is not used in domestic biomass facili-

ties and is also not used in domestic paper and pulp mills.

However, opportunities abound for the waste wood on foreign shores.

Nations in the European Union have set ambitious goals to transform coal-powered utilities to sustainable energy sources.

Specifically, the EU’s Renewable Energy Directive requires the union to fulfill at least 20 percent of its total energy needs with renewable energy by 2020.

“It’s a great place for low-quality wood. The EU is pretty big on replacing coal with wood to meet emissions targets,” Strauch said.

Strauch said since the emissions targets are set by elected officials, it can make for a volatile export climate.

“It’s a tremendous market, but it’s based on the policies of foreign governments, so it is very unpredictable,” Strauch said.

Entrepreneurs in the state are looking to capitalize on the apparent market potential.

Eastport-based Phyto-Charter Inc. has developed a patented system for treating wood to eliminate pathogens and pests, ensuring the product meets the import standards of the member nations in the European Union.

By adhering to the EU’s current regulations, which were enacted in 2000, a market closed off for more than a decade could soon be open to the state’s pulpwood industry.

The firm’s patented Shipboard Heat Treating System efficiently sanitizes export wood fiber to meet the EU’s standard.

The business hosted a meeting Dec. 22 at the Eastport Area Chamber of Commerce to present information on its plans to open the new market for the industry.

Eastport Port Authority Executive Director Chris Gardner said the meeting was well-attended, with 60 people, predominantly from the logging industry, pulp mills, and sawmills, in attendance.

“We have been working in connection with (Phyto-Charter’s) efforts to open up markets for lower-grade wood,” Gardner said.

Gardner said the partnership between the company and the

port authority dates back to 2009, when the port authority embarked on an expansion project and brought in a bulk cargo conveyor system to enable the loading of wood chips onto ships in the harbor.

He said he is aware of the struggles within the pulp and paper industry and hopes Eastport can help revitalize the long-standing sector of the state’s economy.

“Forest producers are a long-standing backbone to the state’s economy. Many who operate in the industry believe it is reaching a crisis point,” Gardner said.

He said the seaport and the forest products industry are at an intersection of opportunity and need.

“We recognized the opportunity and built this out in front of the need. You have two choices. You can chase the curve or set the curve. The industry couldn’t wait. By building out in front we can be ready,” Gardner said.

Hunt, who attended the conference in Eastport, said he went in with an optimistic attitude about the potential for a new market to export wood chips out of Maine.

However, he said the lack of a clear timeline for the project, in addition to risks including investments and whether enough ships will take the product to make it worthwhile for harvesters around the state dented his spirit of optimism.

“I came away from Eastport very discouraged. They didn’t leave the right message with the logger,” Hunt said.

Nonetheless, Hunt said he is aware of the time and effort that Eastport has poured into the project. “Eastport has done a heck of a good job. They’ve worked hard to build this thing. They are very optimistic and have done a good job,” he said.

Looking toward the future, the executive director of the state’s forest products council was hopeful. “We are pretty optimistic. It’s going to be a new world,” Strauch said. “It’s not going to be your grandfather’s paper industry; it’s going to be more like your granddaughter’s industry.”

Free small-business advice in Katahdin region

EAST MILLINOCKET — A free small-business resource program for people in the Katahdin region interested in starting, maintaining or growing a small business will be held 9 a.m.-3 p.m. Wednesdays, Jan. 6 and Feb. 3, at Katahdin Region Higher Education Center, 1 Dirigo Drive.

The business advising is confidential, offered at no charge and provided by Maine Small Business Development Center business adviser Josh Nadeau.

For information or an appointment, call Josh at 800-427-8736 or email jnadeau@nmdc.org.

Bangor Chamber to hold annual breakfast

BANGOR — The Bangor Region Chamber of Commerce’s annual breakfast will be held 7-9 a.m. Thursday, Jan. 7, at Cross Insurance Center.

Keynote speaker will be Yellow Light Breen, president and CEO of Maine Development Foundation.

The Chamber also will highlight 2015 accomplishments, introduce new president and CEO Deb Neuman, honor Volunteer of the Year David Dunning of S.W. Cole Engineering, and approve the new chairman of the board.

Doors open at 7 a.m.; breakfast and program will take place 7:30-9 a.m.

Cost is \$20 for members, \$25 for nonmembers, \$350 for corporate table sponsor, \$175 for corporate half-table sponsor.

Call Marcia at 947-0307 or email info@bangorregion.com.

Scandinavian trade topic of USM forum

PORTLAND — A forum on establishing a trade relationship between Maine and the Scandinavian countries of Denmark, Norway and Sweden will be held 2-5 p.m. Tuesday, Jan. 12, at University of Southern Maine, Glickman Library, 314 Forest Ave.

Poised for rapid growth as a result of investment by Icelandic shipping line Eimskip in Maine as its U.S. shipping hub, trade with Iceland alone has increased more than 4,000 percent and put Scandinavian markets well within reach for Maine’s exporters.

A new cold storage facility, scheduled to break ground on the Portland waterfront in 2016, will continue to facilitate Maine-Scandinavian economic, investment and trade growth.

This event includes an economic overview, three concurrent breakout sessions and a networking reception. Learn more and register online at mitc.com/event/scandinavian-forum/ or call 541-7400.

Wall Street begins year lower after China selloff

BY CAROLINE VALETKEVITCH REUTERS

U.S. stocks began 2016 sharply lower on Monday, with the Dow marking its worst start to a year since 2008, after weak Chinese economic data fanned fears of a global slowdown.

Indexes partly recovered late in the session, following a turnaround in oil prices that caused energy shares to cut losses. At its low for the day, the Dow was down 467 points and was headed for its worst first-day percentage drop since 1932.

Surveys showed factory activity in the world’s second-largest economy shrank sharply in December, sparking a 7-percent slide in Chinese shares that triggered a trading halt. Adding to investors’ worries, China’s central bank fixed the yuan at a 4½ year low, further weakening it against the dollar.

U.S. data sparked further concern as factory activity weakened unexpectedly in December, according to the Institute for Supply Management.

“There was the turmoil overnight overseas that kind of set the tone ... (but) all of the negatives out there have been out there for a while,” said Michael O’Rourke, chief market strategist at JonesTrading in Greenwich, Connecticut.

“The fact that we closed down on the year, the Fed tightened, it crystallized in investors’ minds that we’re not in the environment we were in throughout most of the recovery.”

The selloff was widespread but not as deep as the slide caused by worries of a China-led global slowdown in August, when the Dow tumbled more than 1,000 points at one point.

Nasdaq led the day’s decline and Amazon, down 5.8 percent at \$636.99, weighed the most on the S&P 500 and Nasdaq, while the Nasdaq Biotech Index dropped 3.2 percent.

Market Review

Consolidated Stocks				Indexes												Currencies							
	Close	Chg	Div		Close	Chg	Div		52-Wk High	52-Wk Low	Close	Chg	Chg%	Yr	Mo	Qtr	1 Yr		Last	Chg	Qtr	Year	
3M Co	146.82	-3.82	4.1	IntlBcsh	24.87	-0.83	0.6	Dow Jones indus.	18351	15370	17148.94	-276.09	-1.58	▼	▼	▲	-3.84	Euro	0.923	+0.002	+0.029	+0.090	
ABB Ltd	17.52	-0.21		JPMorgCh	63.62	-2.41	1.8	Dow Jones Transport	9215	7353	7352.59	-156.12	-2.08	▼	▼	▼	-19.19	British Pound	0.680	+0.003	+0.020	+0.028	
AbiViv	57.61	-1.63	2.3	Kohls	49.55	+1.92	1.8	Dow Jones Utility	657	540	577.48	-0.34	-0.06	▼	▲	▼	-7.10	Canadian Dollar	1.395	+0.009	+0.087	+0.217	
AbtLab	42.93	-1.98	1.0	LillyEli	82.87	-1.39	2.0	Nasdaq composite	5232	4292	4903.09	-104.32	-2.08	▼	▼	▼	+3.73	Japanese Yen	119.45	-0.870	-1.000	-1.040	
AEP	58.33	+0.06	2.2	LoeWS	37.78	-0.62	0.3	NYSE AMEX composite	2556	2088	2121.27	-27.88	-1.30	▼	▼	▼	-12.63	Mexican Peso	17.315	+0.135	+0.521	+2.484	
Aeropostl	0.28	...		Lowes	75.28	-0.76	1.1	NYSE composite	11255	9510	10001.56	-141.86	-1.40	▼	▼	▼	-7.66	Swiss Franc	1.002	unch.	+0.027	+0.001	
Aetna	109.26	+1.14	1.0	McDnlds	117.58	-0.56	3.6	S&P 500	2135	1867	2012.66	-31.28	-1.53	▼	▼	▲	-2.21	Israel Shekel	3.920	+0.028	+0.045	-0.011	
AFLAC	59.18	-0.72	1.6	Merck	52.48	-0.34	1.8	S&P Mid cap 400	1551	1345	1379.18	-19.40	-1.39	▼	▼	▼	-4.97	Norwegian Krone	8.881	+0.042	+0.477	+1.291	
AK Steel	2.25	+0.11	0.0	MetLife	47.32	-0.89	1.5	Wilshire 5000	22537	19619	20841.36	-326.50	-1.54	▼	▼	▼	-3.80	South African Rand	15.563	+0.090	+1.965	+3.864	
ALCATEL LUCENT	33.92	+0.09		Microsoft	54.80	-0.68	1.4	Russell 2000	1296	1079	1108.62	-27.27	-2.40	▼	▼	▼	-7.52						
Allergan	307.47	-5.03		Mondelēz	43.79	-1.05	0.7													Commodities			
Allstate	60.67	-1.42	1.2	Monsanto	97.79	-0.73	2.2																
Altria	57.39	-0.82	2.3	MorgStan	31.48	-0.33	0.6																
AMovill	13.84	-0.22	0.5	NewellRub	43.44	-0.64	0.8																
Anadarko	49.13	+0.55	1.1	NextEraEn	103.57	-0.32	3.1																
Apache	44.43	-0.04	1.0	NipponTT	39.17	-0.57	0.8																
AplIdMatl	18.47	-0.20	0.4	NokiaCp	7.18	+0.16	0.2																
Apple	105.35	+0.09	2.1	NorthropG	187.51	-1.30	3.2																
AT&T Inc	34.35	-0.06	1.9	OneokPtrs	30.30	+0.17	3.2																
Autodesk	60.31	-0.62	0.0	Oracle	35.75	-0.78	0.6																
AviaTch	7.38	+0.09		Orange	16.62	-0.01	0.7																
BcoSamtSA	4.79	-0.08	0.3	Penn Gmng	15.80	-0.22																	
BestBuy	30.65	+0.20	0.9	Pennney	6.97	+0.31	0.0																
BKINYMel	39.97	-1.25	0.7	PepcoHold	25.90	-0.11	1.1																
BkofAm	16.43	-0.40	0.2	PepsiCo	98.77	-1.15	2.8																
Boeing	140.50	-4.09	4.4	Pfizer	31.95	-0.33	1.2																
BP PLC	31.06	-0.20	2.4	PhilipMor	87.00	-0.91	4.1																
BrkfIdAs	30.35	-1.18	0.5	PPL	33.68	-0.45	1.5																
BrMySq	67.03	-1.76	1.5	Praxair	101.67	-0.73	2.9																
Caterpillar	67.99	+0.03	3.1	ProctGam	78.37	-1.04	2.7																
CBS B	46.85	-0.48	0.6	Prudntl	43.30	-1.78	1.2																
CenterPnt	18.27	-0.09	1.0	QstDiag	70.76	-0.38	1.5																
Chevron	88.85	-1.11	4.3	Rayonier	22.20	...	1.0																
Citigroup	51.13	-0.62	0.2	Raytheon	122.61	-1.92	2.7																
CocaCola	42.40	-0.56	1.3	ReynAmer	45.20	-0.95	1.4																
Corning	17.91	-0.97	0.5	RylCarb	98.14	-3.07	1.5																
Deere	76.08	-0.19	2.4	Schwab	31.98	-0.95	0.2																
Disney	102.98	-2.10	1.4	SearsHlids	19.79	-0.77	0.0																
DowChem	49.93	-1.55	1.8	Sherwin	254.75	-4.85	2.7																
DukeEng	71.19	-0.20	3.3	SiderurNac	0.93	-0.05	0.1																
DuPont	37.82	-0.97	1.9	Siemens	96.18	...	3.8																
ExxonMbl	77.46	-0.49	2.9	SonyCp	24.73	+0.12	0.1																
Facebook	102.22	-2.44		Starbucks	58.26	-1.77	0.8																
FedExCp	143.43	-5.56	1.0	SwsAirl	41.96	-1.10	0.3																
FidNFin	33.50	-1.17	0.8	Symantec	20.84	-0.16	0.6																
FidNatInfr	59.91	-0.69	1.0	Target	73.55	-0.94	2.2																
FrontierGr	4.85	-0.02	0.4	Textron	41.50	-0.51	0.1																
GenElec	30.71	-0.44	0.9	TimeWarn	183.06	-2.51	3.0																
GlaeoXkn	40.45	+0.10	2.4	Toyota	121.46	-1.58	3.6																
GoldmanS	177.14	-3.09	2.6	Travelers	109.97	-2.89	2.4																
Google	741.84	-17.04		UPS B	94.84	-1.39	2.9																
Hershey	87.99	-1.28	2.3	ValeroE	69.94	-0.77	2.0																
HewlettP	11.60	-0.24	0.5	Vodafone	32.19	-0.07	1.7																
Hitachi	56.70	...	1.0	WalterEn	0.01	...	0.0																
HomeDp	131.07	-1.18	2.4	Waste Mngt	52.45	-0.92	1.6																
Honda	30.99	-0.94		WellsFargo	52.91	-1.45	1.5																
IBM	135.95	-1.67	5.2	Yahoo	31.40	-1.86																	
Intel	33.99	-0.46	1.0	Zimmer	101.81	-0.78	0.9																

Top Mutual Funds				Local Stocks			
	Close	Chg	Div		Close	Chg	Div
AMERICAN FUNDS				Bank of America (BAC)	18.48	14.60	16.43
AMCP A	25.58	-0.37	+0.8	Bar Harbor (BHB)	37.98	28.97	33.79
Bal A	23.62	-0.21	+1.7	Camden Nat'l (CAC)	47.49	36.20	43.30
Bond A	12.61	+0.02	+0.2	Cisco (CSCO)	30.31	23.03	26.41
CIB A	55.29	-0.56	-2.9	Delhaize (DEG)	25.14	17.50	24.29
CWGI A	42.65	-0.71	-2.2	Domtar (UFS)	48.30	35.20	36.49
EuPc A	44.61	-0.76	-0.8	Dover (DOV)	78.21	55.50	61.64
Fliv A	49.91	-0.8	+3.4	Fairchild SC (FCS)	21.71	12.22	20.47
Gro A	40.51	-0.78	+5.4	General Dynamics (GD)	153.76	130.91	136.07
HI A	9.31	-0.04	-7.5	General Electric (GE)	31.49	19.37	30.71
ICA A	32.93	-0.44	-1.4	HCA Holdings (HCA)	95.49	43.91	66.29
Inc A	20.04	-0.19	-1.5	Idexx Labs (IDXX)	168.51	61.58	71.12
Mut A	33.45	-0.4	-2.8	ImmuCell (ICCC)	11.40	4.99	7.13
NPer A	35.33	-0.69	+5.3	International Paper (IP)	51.90	36.76	37.67
NWId A	49.12	-0.88	-6.0	KeyCorp (KEY)	15.70	12.04	12.96
SMCP A	42.90	-0.73	+2.6	Kimberly-Clark (KMB)	129.89	103.04	126.48
Wash A	37.91	-0.53	-0.2	Lake Sunapee Bank (LSBG)	16.35	13.50	13.83
BLACKROCK				Northeast Bancorp (NBN)	11.02	8.86	10.56
GI Alloc A	17.69	-0.15	-1.1	People's United Fin (PBCF)	16.95	13.97	15.77
COLUMBIA				Plum Creek Timber (PCL)	51.63	36.95	47.41
Acorn Z	18.94	-0.4	-1.6	PNC (PNC)	100.52	81.84	93.16
DAVIS				RR Donnelley (RDD)	20.22	14.19	14.45
DFA				Sappi Limited (SPPJY)	4.53	2.67	4.05
Emg Mkts Value I	19.87	-0.53	-18.8	State Street (STT)	81.26	63.97	65.14
DODGE & COX				Sysco (SYN)	42.03	35.45	40.61
Balanced	93.59	-0.83	-2.9	The First Bancorp (FNLC)	22.56	16.20	19.65
Income	13.30	+0.01	-0.6	United Technologies (UTX)	124.45	85.50	95.57
Intl Stock	35.70	-0.78	-11.4	Unum Group (UNM)	38.15	29.81	32.75
Stock	160.54	-2.23	-4.5	Verizon Comm (VZ)	50.86	38.06	45.87
FAIRHOLME				WalMart (WMT)	90.97	56.30	61.46
Fairholme	18.27	-0.23	-11.5				

FUND				FUND				FUND				FUND			
	Last	Chg	1Yr Rtn		Last	Chg	1Yr Rtn		Last	Chg	1Yr Rtn		Last	Chg	1Yr Rtn
AMERICAN FUNDS				JPMORGAN				TEMPLETON							
Balanced	21.00	-0.22	+0.4	Core Bond Sel	11.56	+0.02	+0.7	GI Bond Adv	11.42	-0.11	-4.0				
Blue Chip Gr	67.57	-1.4	+6.3	LAZARD				Growth A	21.44	-0.47	-6.5				
Capital & Inc	9.09	-0.06	-0.9	Emg Mkt Eq Inst	13.08	-0.36	-20.2	THORNBURG							
Contrafund	96.89	-2.06	+6.5	LOOMIS SAYLES				Intl Val I	24.14	-0.58	+6.7				
Dividend Gr	29.84	-0.45	-0.6	Bd Inst	12.83	-0.05	-6.9	VANGUARD							
Dvrsd Intl	34.39	-0.67	+3.1	OPPENHEIMER				500 Index Adm	185.64	-2.84	+1.4				
Freedom 2020	14.38	-0.15	-0.2	Dev Mkts A	29.54	-0.86	-14.1	GNMA Adm	10.68	+0.02	+1.4				
Freedom 2025	12.29	-0.15	-0.2	PERMANENT				Health Care Adm	91.19	-1.75	+12.7				
Freedom 2030	14.99	-0.22	-0.2	Port Permanent	34.50	-0.05	-6.6	Infri-Proct Inv	12.88	+0.04	-1.8				
Gro Company	134.09	-2.85	+7.8	PIMCO				Ins T StMk Ins+	45.23	-0.72	+0.5				
Inc GNMA	11.53	+0.01	+1.2	All Asset Inst	10.20	unch.	-8.7	Instl Indx Inst	183.80	-2.82	+1.4				
Low-Prcd Stk	47.19	-0.56	-0.5	Comm RR Str	6.31	unch.	-25.7	Int-Tm TxEq Adm	9.65	+0.01	+1.6				
Magellan Fund	87.83	-1.6	+4.1	High Yield Inst	8.22	-0.04	-1.9	Int-Tm TxEx Adm	14.29	+0.03	+2.9				
Muritan	20.08	-0.25	+1.8	Low Dur Inst	9.86	unch.	+0.7	Intl Gro Inv	20.59	-0.51	-0.7				
S P S&P 500 Inv	70.72	-1.08	+1.3	Real Rtn Inst	10.51	unch.	-2.8	Ltd-Tm TxEx Adm	11.02	unch.	+1.4				
Srs Inv Gd Bd	11.05	+0.02	-0.2	Tot Rtn Inst	10.10	+0.03	+0.7	PRIMECAP Inv	97.90	-1.18	+2.6				
Strat Inc	10.12	-0.03	-1.6	Uncons Inst	10.34	+0.03	-2.2	Sh-Tm Inv Adm	10.57	+0.01	+1.1				
Total Bond	10.27	+0.01	-0.4	JPMORGAN				Sh-Tm Tx-Ex Adm	15.80	unch.	+0.5				
FIRST EAGLE				Cap S&P 500 Idx	31.08	-0.48	+1.3	STAR Inv	23.05	-0.24	-0.2				
Global A	50.75	-0.6	-0.9	BC Gro	70.66	-1.72	+11.2	T StMk Idx Inv	49.99	-0.79	+0.3				
FRANKLIN				Cap App	24.82	-0.23	+5.4	Tgt Ret2015 Inv	14.13	-0.1	-0.5				
CAT TF Inc A	7.55	+0.03	+3.6	Eq Idx500	54.12	-0.83	+1.1	Tgt Ret2020 Inv	26.91	-0.24	-0.7				
Cust Inc A	2.08	-0.02	-7.8	Eq Inv	28.14	-0.32	-6.7	Tgt Ret2025 Inv	16.46	-0.16	-0.9				
GMO				Gro Stk	52.44	-1.22	+10.9	Tgt Ret2030 Inv	27.39	-0.33	-1.0				
Quality VI	19.04	-0.3	-5.8	MC Gr	72.05	-1.27	+6.6	Tgt Ret2035 Inv	16.61	-0.23	-1.3				
HARBOR				New Inc	9.37	+0.01	+0.2	Tot Bd Adm	10.66	+0.02	+0.4				
Cap Apprec Inst	59.32	-1.49	+11.0	Ret 2020	19.48	-0.21	-0.3	Tot I Stk Inv	14.21	-0.28	-4.4				
J HANCOCK II				Value	30.83	-0.42	-1.7	Wellesley							