### Need Commitments from Farmers—

# Charcoal Plant Hinges on Assured Wood Supply

BY BOB NORBERG

How many farmers would cut and supply wood for a charcoal industry in the counties of Davis, Appanoose, Monroe and Wapello?

**That was the $64 question before Monday night's meeting in Blakesburg . . . and still looms as the biggest stumbling block to establishing a charcoal manufacturing plant and another plant that would turn the charcoal into briquets or pellets for the backyard grill.**

Although there's no question that the raw wood is available in the four-county area in quantities great enough to support the industry, getting it committed to a potential industry seems to be the knotty problem.

For a farmer with sound round wood from any native species, the income from wood sales would be around $7.50 a cord ($3 a ton) delivered to the site of the retorts, which would turn the wood into raw charcoal.

As originally discussed, the charcoal manufacturing plant would then turn around and sell its product for $35 a ton to a processing plant that would make it into briquets.

**Frank and Don Downing, originally from the Floris vicinity, are proposing to finance the briquet or pellet-making plant and would locate in the four-county area.**

Their initial hope was to concern their capital only with the processing plant, leaving the capitalization of the charcoal-producing plant to an association or corporation made up largely of producers.

As a possibility, although he emphasized that it was not a "firm offer," Frank Downing did mention that both the manufacturing and processing plants might be capitalized into one structure, although producer stockholders (farmers) would be sought. The Downings would have controlling interest.

The Blakesburg meeting was the third in a series. At an earlier meeting in Moravia, a 12-man committee—three members from each county—was formed to study the matter. Norman Hansen of rural Drakesville, who did experimental work in charcoal production for Iowa State University, was named chairman.

At Blakesburg, Hansen explained that the Downings would need 5,000 tons of raw charcoal in their first year of operation. This would mean 25,000 tons of raw wood.

**If producers, plus some outside investment from businessmen, would incorporate to get into the manufacturing operation, about $100,000 would be needed to get started, he said. Various government loans would probably be available to aid the venture, according to John Peterson of Albia, member of the three-man finance committee selected from the original four-county committee.**

## Would YOU Sell Wood for Charcoal?

The small, round native wood—such as the hickory and oak marking the terrain of Davis county — would support a charcoal industry in a four-county area.

Those studying the possibility of such an industry need assurances that farmers will cut and supply the needed wood. If you are a farmer and would like to sell wood to such a plant, please fill in the lines below and mail to: Bloomfield Newspapers, Bloomfield, Iowa.

Name ______________________________

Address ______________________________

Acres of Brush and Woodland ______________________________

For example, a Small Business Administration loan might be obtained if a corporation was formed and the SBA could provide loan funds after local interests put up the first 35 per cent.

A big item of expense for charcoal manufacturing would be the retorts. About 10 would be needed, and would probably be clustered together for maximum efficiency. The retorts plus other equipment would come to about $70,000.

In the first year of operation, Hansen gave this tentative breakdown on what costs would be for the charcoal plant:

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| **Site, buildings** | **$4,000** |
| **Retorts, equipment** | **$70,000** |
| **Obtaining wood from farmers and others** | **75,000** |
| **Labor** | **35,000** |
| **Misc. (phone, light bills, etc)** | **27,000** |

Although this totals $211,000, all the money would not be needed immediately since income from charcoal sales would help pay for acquiring wood, labor and other bills.

Peterson mentioned that some farmers who supply wood might be willing to help capitalize the plant by taking stock certificates in return for all or part of their wood payments in the first year.

Hansen said in all probability the charcoal manufacturing plant and the pellet plant would not be located together. The retorts, which might operate on a 24-hour basis, create a good deal of smoke and the plant probably should be in a remote area near the center of its supply of wood, said Hansen.

**However, the processing plant, said Downing, needs a location providing good roads, three-phase electricity, railroad siding, and some water.**

At first, the Downings were shooting for early production that would allow them to hit the spring markets for charcoal briquets, but the time element has been removed now. The target now is production by next fall.

However, the question that remains is whether farmers will assure an adequate supply of wood for charcoal.

The Downings will analyze information on available wood—and farmers' willingness to cut and sell it. This data was provided by farmers at the Blakesburg meeting and at previous meetings.

**Hansen asked Downing if he and his brother would be willing to invest some capital—say 25 to 30 per cent—in the charcoal manufacturing plant as assurance the Downings would not abandon the operation.**

Downing said he would not be interested in investing that amount. "If we would invest that much, we'd go all the way," he said. He said the fact that they would be investing a couple of hundred thousand dollars in the processing plant "should be some assurance."

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