

Burning drive

Matt Bell, owner, Northeast Pellets, Ashland

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Well before a spike in oil prices threw the spotlight on wood pellets as an alternative source for heating homes, Matt Bell had already seen their promise and bet his money that demand for the renewable fuel would only grow.

At 24, in pursuit of his business degree at Husson University, Bell developed a business plan to manufacture wood pellets in Maine. Bell soon found himself at First Citizens Bank taking out a loan to build Maine's first wood pellet mill in the heart of the state's forestry industry. "My parents had a pellet stove," he says, "and one thing led to another..."

He and his father, who was a 50-50 partner in the endeavor, built the mill in Ashland, near Fraser's lumber mill in Masardis, which — when operating — is the largest mill east of the Mississippi River, according to Bell. "We got in on the upside of the curve," Bell says. "I never foresaw that the price of fuel oil would go up as much as it did, which had an impact on increased demand for pellets."

Bell, who was disabled in a snowmobile accident in 1999, designed the mill and was general contractor on its construction. He and his father, a millwright by trade, also designed and built most of the equipment. They invested nearly \$3 million in the project and Bell estimates their do-it-yourself approach saved \$2 million in startup costs.

The mill was pumping out pellets by the fall of 2006. Production ramped up immediately, and the 15,000-square-foot mill was showing signs of profitability within a year and a half, Bell says. In 2008, Bell's company, Northeast Pellets, employed 17 full-timers and grossed between \$3.5 million and \$4 million annually. In March of 2009, weekly production reached a peak of 480 tons.

But on Monday, March 30, Bell woke at a quarter after midnight to answer a ringing telephone. It was his foreman, telling Bell the mill was on fire. A rock or piece of metal had caught in machinery, creating a spark that ignited sawdust.

"I got there just in time to see the structure full ablaze," Bell says. "It spread so fast they never had a chance to do anything."

The next day, however, Bell was ready to clear the site and rebuild. The insurance company had different ideas. "The delay has been the most discouraging part," he says.

Bell, now 29 and 100% owner of Northeast Pellets, is using the tragedy as an opportunity. He has received enough advances on his policy to start rebuilding. He's redesigned the mill, turning a one-building operation into seven. He hopes the new design will increase efficiency, help with dust containment and increase production by 25% when the mill restarts in early spring.

There are still challenges ahead. Prices for Bell's raw material, wood waste, have increased, as have insurance premiums. Also, Bell's competition has turned fierce. There are now four pellet mills in the state, with a fifth proposed. In that sort of environment, a company forced to go offline for a year could expect to lose some customers. But Bell is



Photo/David A. Rodgers

"You try to minimize transportation costs on both ends and produce the highest quality product you can, and reputation will carry you through." -Matt Bell, owner of Northeast Pellets in Ashland

confident his business will survive. "There'll probably be a handful of accounts we'll struggle to get back, but hopefully we'll be able to pick up some additional accounts," he says.

Bell says he's always had his go-getter, never-quit attitude about life. During a speech in June after being named Aroostook County's 2009 Young Entrepreneur of the Year, Bell reportedly quoted Greek philosopher Epictetus when he said, "It's not what happens to you, but how you react to it that matters."

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