

MD Wood Products Industry Equity Incentive Relief Fund

Recipient: Eastern Shore Forest Products Inc.



Prior to the pandemic, the Maryland forestry industry was facing challenges, having been greatly impacted by the closure of the Luke Paper Mill in Western Maryland in 2019. The pandemic further disrupted supply chains, affecting both the supply and demand side of the market for the industry.

One company that impacted was Eastern Shore Forest Products inc.

(ESFP), with the subsidiary company Animal Comfort Group LLC (ACG). The company was founded 42 years ago in 1980 by Tom Johnson, (left) and is located in Salisbury, Maryland.

The businesses' primary products include animal bedding and fuel pellets for energy, both of which are distributed nationwide. When the Covid-19 pandemic started, Johnson said the company's primary concern was keeping their employees healthy, dealing with constant exposures, quarantines, and on-the-job risks. The company also had to find ways to increase productivity to meet the sudden rise in demand for animal bedding. The operation was already operating 24 hours a day.

"Our products have sold more since the pandemic," said Johnson. "More small and residential farms have sprung up as people are moving away from the city... To meet the demand, we had to squeeze more out of machinery and have longer hours. It was a struggle for us.... I am blessed with good hardworking people."

To help meet the growing demand for these products, Johnson planned to expand his business to include a pellet operation with a piece of equipment called a micro-chipper, which could make pellets both for energy and animal bedding. The micro-chipper is an expensive investment, costing \$800,000.

Fortunately, it was at this time that he heard about MARBIDCO's Maryland Wood Products Industry Equity Incentive Relief Fund Grant. The grant is designed to provide stimulus for forest products-related businesses to grow their business through innovation, increased production, and the development of new market opportunities. Johnson applied to the program and received a grant of \$90,000 to be used towards the purchase of the micro-chipper.

"MARBIDCO helped fund a chipper to produce a micro-chip to make more pellets," said Johnson. "The grant was valuable and helpful in a time where we are struggling to meet the orders... It gave us a product that we really needed, got our production up and more volume to our plants."

The company has processing plants located in several states, including Maryland, Delaware, Oklahoma, and Texas. Most of their products are distributed to the Northeast and Mid-Atlantic, with the primary products sold in Maryland going to local poultry farms and to Tractor Supply Company stores.

Their energy chips are used by the Eastern Shore Cogeneration Facility located on Maryland's Eastern Shore.

Johnson first started cutting firewood off his family's property when he was 15 years old and "trying to make a buck." Eventually, his business evolved into creating animal bedding and a variety of wood products.

Currently, it employs 240 people. ESFP's business model includes going to landowners and working with them on harvesting wood off their property and then bringing the lumber in to be processed in their facilities. Photo: Maryland Forest Association.