

**New York State
Environmental Investment Program
Capital Project Summary
School House Warehousing, Inc.**

Project Background

School House Warehousing operates a warehouse in Gloversville NY for sorting and repairing wooden pallets for Cheps USA. At the time of the project, Cheps was the largest pallet leasing company in the U.S., leasing to large manufacturers and retailers and School House was Cheps' largest pallet sorting and repair hub in the northeast. When repairing pallets, the company generated 60 tons of wood waste/week (3,210 tons/year) that was chipped and sold for boiler fuel. The chipping equipment was operated at full capacity and School House was having difficulty locating wood chip markets within a reasonable radius of its warehouse, limiting its ability to expand business with Cheps.

Project Description

School House installed a Rotochopper wood grinder and conveyors permitting wood chip production to rise to 100 tons/week (5,200 tons/year) and to produce high quality chips for sale to the landscaping industry or as feedstock in the manufacture of medium density fiberboard (MDF).

Project Results

The company increased the amount of wood it recycled by 2,080 tons/year. By the close of the project, School House was producing and selling wood chips at a rate that exceeded the target of 5,200 tons per year.

The project removed a major bottleneck to the growth of the company's pallet repair business. And, the higher quality product of the new grinder permitted the company to pursue MDF and mulch markets that were more lucrative and consistent than the fuel market. The old grinder was still used solely to produce wood chips that were burned in an on-site boiler.

At the close of the project, School House had yet to produce chips for the landscape industry since the increased production of mulch in the region forced a drop in prices. However, the company had formed a strong relationship with Norbord, an MDF manufacturer in Deposit, NY. Norbord found School House's chips to be of such high quality that it began purchasing all the chips School House produced at a higher price than they would obtain as mulch. School House was able to provide a high quality feedstock to Norbord because pallets are made from a limited number of hardwoods, increasing consistency of the product. School House stores all of its pallets indoors, improving its ability to control the moisture content of the wood. Finally, School House worked with Norbord to design its process to produce chips that consistently met the customer's strict size and density specifications.

Contractor:	ILEC	NYS EIP Investment:	\$105,500
County:	Herkimer	Contractor Match:	\$107,405
ESD Region:	Mohawk Valley	Total:	\$212,905
ESD Contact:	518/292-5340	Completion Date:	June, 1999