

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Wood pellet exports from the US and Canada to Europe reached 1.6 million tons in 2010, a doubling of shipments in just two years, reports the North American Wood Fiber Review

Over the past two years, North America has become a major supplier of wood pellets to Europe. In 2010, an estimated 1.6 million tons of pellets were shipped from the US and Canada to the Netherlands, the UK and Belgium, according to the North American Wood Fiber Review. This is a doubling of volume compared to 2008.

Seattle, USA. The European Union has stated that by 2020, at least 20 percent of total energy consumption should be supplied by renewable energy resources. In an effort to reach this target, many countries have increased their consumption of woody biomass in the form of both wood chips and pellets the past few years. In 2010, just over 11 million tons of wood pellets were consumed, which was about seven percent higher than the previous year.

Demand for wood pellets in some European countries, including Sweden, the Netherlands, Belgium, Italy, Denmark and the UK, has outpaced domestic production over the past few years. This has resulted not only in increased imports from neighboring countries, but also from North America. Over the past ten years, Canada has been the major overseas supplier of pellets to Europe, reaching about one million tons in shipments in 2010, according to the North American Wood Fiber Review. The US did not start exporting pellets until 2008 when 85,000 tons were shipped to the Netherlands, but exports have since taken off, reaching almost 600,000 tons in 2010. In fact, the total shipments from the US and Canada have almost doubled in just two years.

The majority of North American pellets have been shipped the Netherlands, the United Kingdom and Belgium, with occasional shipments to Sweden and Denmark. In 2010, almost 50 percent of the Atlantic trade was destined for the Netherlands, while one-third landed in ports in the UK.

Higher demand for oil by Asia and Latin America and the uncertain situation in the oil-producing counties in the Middle East and northern Africa has boosted oil prices about 28 percent the past three months. Higher oil prices will benefit wood pellet exporters in North America, and shipments to Europe can be expected to increase during 2011.

*The North American Wood Fiber Review has tracked wood fiber markets in the US and Canada for over 20 years and it is the **only** publication that covers both pulpwood and biomass markets in North America. The report includes prices and market commentary for 15 regions on the continent, and is an essential source for anyone that needs to track pulpwood, wood chips and biomass prices in the largest and most dynamic wood fiber market in the world.*

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