

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 a record high in the 4Q/11 thanks to increased demand in the United Kingdom, reports the North American Wood Fiber Review

Exports of wood pellets from North America to Europe reached a record of over two million tons in 2011, according to analysis reported in the North American Wood Fiber Review. Canada has long been the main exporter of pellets but in the second half of 2011, the US caught up and exported an equal volume to Canada.

Seattle, USA. Pellet exports from North America to Europe reached a new record high in the 4Q/11. Shipments have increased practically every quarter for four years, up from 130,000 tons in the 1Q/08 to almost 600,000 ton in the 4Q/12, according to the North American Wood Fiber Review (NAWFR). Export data collected by NAWFR (www.woodprices.com) from exporters and customs information in both North America and Europe show that wood pellet shipments reached just over two million tons in 2011, up almost 300% from 2008.

Pellet producers in British Columbia have been the major exporters since the first shipments 12 years ago but this changed in the second half of 2011 when expanded investments in new capacity in the US South put US shipments on par with Canada.

Six pellet export plants, widely varying in capacity, are now operating in the U.S. South. Four others have shipped trial shipments the past six months and six additional export-oriented pellet plants have been announced, making it highly likely that there will be significant export growth over the next 24 months.

In Eastern Canada, exports in the 4Q/11 remained unchanged from the previous quarter when volumes decline primarily due to the closure of the Enligna pellet plant in Nova Scotia. However, there are plans to re-start the idled plant later this year by a new owner.

In 2012, small increases in volumes from both the U.S. and Canada will likely occur, with more significant export growth due in 2013. At that time, new export-oriented pellet plants now being constructed are scheduled to begin operations.

On the receiving end of pellet exports to Europe, utilities in the Netherlands, the UK, and Belgium continue to be the largest consuming destinations of North American pellets with the UK showing the steadiest and most vigorous growth.

*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 includes prices for sawlogs, pulpwood, wood chips and biomass in North America. The 36-page quarterly report*

includes wood market updates for 15 regions on the continent in addition to the latest export statistics for sawlogs, wood pellets and wood chips.

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