

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Exportation of wood pellets from North America to Europe reached a new record of 3.2 million tons in 2012, with US exporters more than doubling their shipments, according to the North American Wood Fiber Review

Demand for wood pellets in Europe has gone up dramatically the past few years as power companies on the continent have switched from using fossil fuels to renewable energy alternatives. Importation of pellets from North America increased over 60 percent from 2011 to 2012 with the US export volumes more than doubling, according to the North American Wood Fiber Review.

Seattle, USA. The wood pellet export industry in North America has grown exponentially in a relatively short period of time. The export value has increased from an estimated 40 million dollars in 2004 to almost 400 million dollars in 2012. This fairly new trade development is the result of Europe's quest to reduce its dependence on fossil fuels and to reduce CO₂ emissions. Energy generation from renewable resources has, with varying pace, gone up in all countries in the EU the past decade.

Woody biomass, including wood pellets, is one energy source that has attracted both much attention and investments in a number of countries on the European continent. With limited domestic wood raw-material sources, countries such as the UK, Belgium and the Netherlands have increasingly relied on the importation of industrial wood pellets to reduce the usage of coal at some of their power utilities. The relatively high costs for wood pellets in Europe have resulted in increased interest in importing pellets from British Columbia and the southern states of the US where wood raw-material costs are lower than in Europe.

A record volume of 3.2 million tons of pellets was exported from North America to Europe in 2012, according to the North American Wood Fiber Review (www.woodprices.com), which compiles and publishes pellet trade volumes based on surveys of pellet exporters and customs data in North America and Europe, each quarter. From the US South, shipments were up over hundred percent compared to 2011, while Canadian exports increased 25 percent year-over-year.

The expansion of pellet production has been particularly noteworthy in the US South where there have been 14 new pellet plants that are either new or planning to expand production in the coming year. Location and capacity of the new plants are reported in the latest issue of NAWFR.

*This news brief is from the market report North American Wood Fiber Review (NAWFR), which has tracked wood fiber markets in the US and Canada for over 20 years. 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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