

# European wood pellets outlook

Where will the raw material come from?

March 2021



WOOD RESOURCES INTERNATIONAL



Europe is the largest market for wood pellets globally and is set to grow much larger by 2030 as the EU raises its ambitions for renewable energy supply. This will drive tighter raw material markets and require mobilization of new sources of wood raw materials, such as forest residues, recovered wood, and wood energy crops. This Focus Report provides a view on how the European pellet industry can source sufficient raw materials, the cost and potential of alternative materials, and the implications for suppliers, pellet buyers, and adjacent industries.

## Contents

### 1. European bioenergy landscape

- EU renewable energy targets
- Biomass energy demand and supply
- The role of pellets

### 2. European pellets industry

- End-use sectors
- Growth of demand, production and imports
- Capacity footprint and leading producers
- Raw material concerns

### 3. Demand trends for biomass and pellets

- Biomass demand segments
- Residential sector
- Energy sector
- Pellet demand and production scenarios

### 4. Raw material availability

- Roundwood and forest residues
- Wood industry residues
- Recycled wood
- Energy crops

### 5. Raw material costs and prices

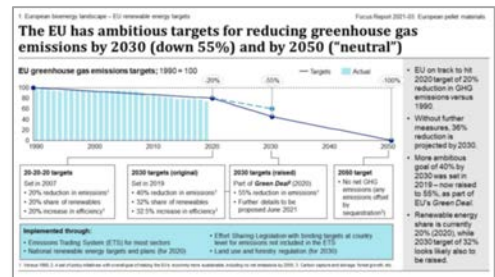
- Comparison of raw material costs
- Historical development of prices
- Cost structure of pellet raw materials
- Pellet mill economics

### 6. Implications for players throughout the value chain

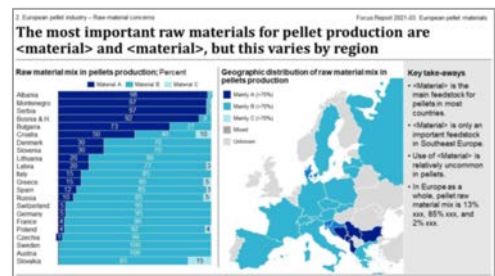
- Raw material supplier implications
- Pellet producer implications
- Other forest industries implications
- Pellet buyer implications

## Example exhibits

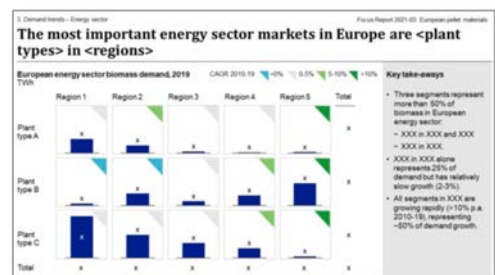
EU targets for greenhouse gas emission reductions and renewable energy



Raw material mix in the European pellet industry, by country



European energy sector's biomass demand and growth by region and plant type



## Questions the report helps answer

- How is European demand for bioenergy and pellets specifically likely to grow in coming 5-10 years?
- In what bioenergy segments are pellets used, how will that develop?
- What is the raw material mix for pellet manufacture in Europe, and how could that change?
- What is the cost and availability of current and potential raw materials for pellet manufacture?
- What drives raw material supply and cost?
- What implications will tighter raw material markets have for suppliers (e.g., forest owners, sawmills) pellet manufacturers and consumers – as well as panel and pulp industries?

## Who the report is most relevant for

- **Suppliers of raw materials**, e.g., forest owners/operators, sawmills, recyclers
- **Pellet manufacturers** in Europe, and in other regions exporting to Europe
- Players in **adjacent industries**, especially **pulp & paper** and **wood-based panels**
- **Wood pellets buyers** in Europe and globally
- **Other consumers of bioenergy**, e.g., dedicated biomass plants
- **Investors in forestry, pellets, and bioenergy**
- **Analysts, consultants, financial institutions and industry associations**

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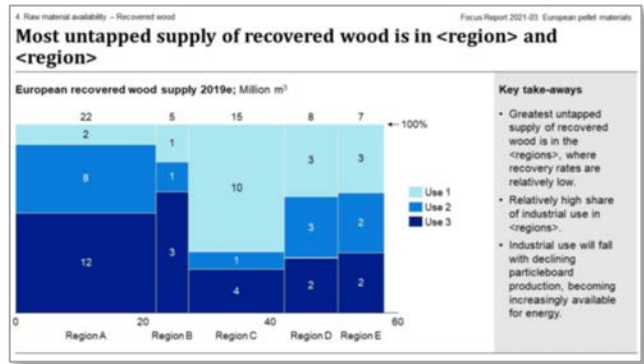
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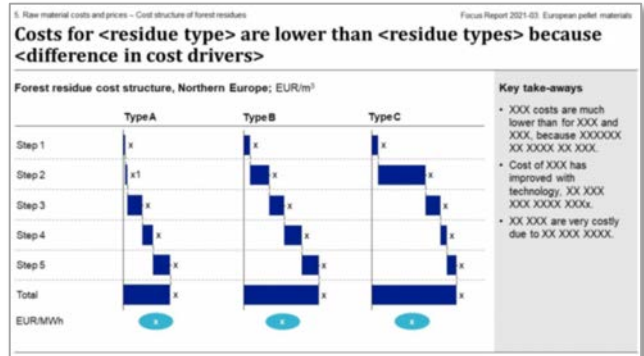
Recent report: Russian log export ban in 2022 – Implications for the global forest industry.

## Example exhibits

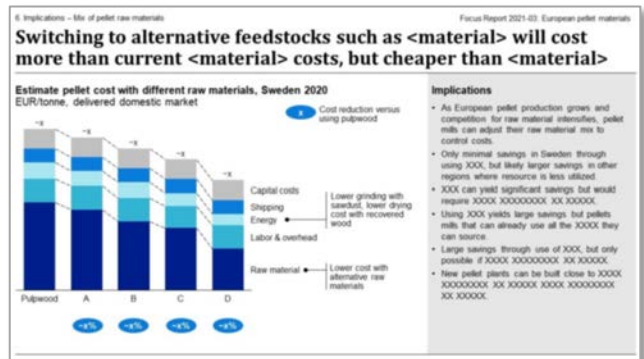
### Untapped supply of recovered wood by region



### Cost structure of different forest residue types



### Pellet production costs with different raw materials



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- 75-page report in easy-to read slide format
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