



Wood Resources
International

WRI Market Insights 2021

- a subscription service from Wood Resources International

The Global Forest Industry This Quarter

Global Timber Markets

- Softwood **sawlog prices** have gone up in 21 of 22 WRQ regions worldwide in the past year. By far, the most significant increases have occurred throughout Europe and British Columbia.
- The **Global Sawlog Price Index (GSPI)** jumped 10% q-o-q in the 2Q/21. This change was the fifth consecutive quarterly increase and the highest level in seven years.
- The rise of sawlog prices in much of Europe has taken the **European Sawlog Price Index (ESPI)**, denoted in Euros, to an all-time high of over €96/m³.

Global Pulpwood Markets

- Softwood fiber costs were generally higher worldwide in the 2Q/21. This resulted in a two-year high for the **Softwood Fiber Price Index (SFPI)**.
- The **Hardwood Fiber Price Index (HFPI)** rose by one percent q-o-q, with the discrepancy between the two indices rising to the widest margin since 2007.
- The US South, Eastern Canada, and Spain stand out as the regions where the costs of **hardwood pulplogs** have gone up the most.

Global Pulp Markets

- Global **trade of market pulp** is on pace to reach a record high in 2021, with China importing almost 30% of globally traded pulp.
- Although the first year of the COVID-19 pandemic, 2020, saw a period of stable **pulp prices**, prices took off towards the end of the year.

Global Lumber Markets

- Lumber has been in high demand in the **US and Europe** throughout 2021. The limited supply resulted in temporary price surges to record high levels during the spring, followed by substantial declines in early summer.
- **Canadian lumber prices** have spiked similarly to US prices, with record highs in May followed by sharp declines during June through August.
- Due to the strong US lumber market, Canada and the US reduced **lumber exports** overseas in the first half of 2021.
- **Sawmill profits** continued to rise in the spring and early summer and reached all-time highs in America and Europe.
- In the **US South**, gross margins fell as lumber prices crashed, but thanks to low sawlog costs, sawmills were still running at profitable levels into the 3Q/21.

Global Biomass Markets

- Net imports of **pellets to Europe** have gone up the past two years as production on the continent has not kept up with consumption.
- Over the past five years, the **Netherlands and Japan** have increased their market shares of globally traded wood pellets substantially.

*Are you interested in worldwide wood products market information? The Wood Resource Quarterly (WRQ) is a 70-page report established in 1988 and has subscribers in over 30 countries. The report tracks **prices for sawlog, pulpwood, lumber, and pellets** and reports on trade and wood market developments in most key regions worldwide. For more insights on the latest international forest product market trends, please go to www.WoodPrices.com*

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