

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

The US surpassed Canada as the largest wood pellet exporter in the world in the first half of 2012, reports the North American Wood Fiber Review

The expansion of wood pellet capacity in the US South the past few years has enabled the US to export more pellets than Canada, making the US the largest exporter in the world. With continued investments throughout southern US, export volumes are forecast to increase from an estimated 1.5 million tons in 2012 to 5.7 million tons in 2015, according to the North American Wood Fiber Review.

Seattle, USA. Pellet exports from the two primary pellet-producing regions on the North American continent, the U.S. South and British Columbia, have continued to grow, reaching a new record high of 760,000 tons in the 2Q/12, according to data from the pellet industry and customs statistics compiled by the North American Wood Fiber Review.

Total Canadian exports to Europe in the 2Q rose 14 percent from the 1Q/12, with reports of BC pellet plants running at full capacity thanks to European demand. Pellet plants in Eastern Canada also continued small but frequent shipments over the Atlantic.

In the U.S. South, pellet export volumes rose 13 percent in the 2Q/12 from the previous quarter, in spite of some temporary slowdowns at Green Circle Bio Energy in Florida and Georgia Biomass, Georgia due to fires at a US port and at a pellet consumer in the United Kingdom. Shipments from Enviva's new port facility in Virginia, additional volume from Fram Renewables, and new volumes from Low Country Biomass in South Carolina have all contributed to the growth in exports over the past 15 months, so that the US has now surpassed Canada to become the world's largest exporter in 2012.

Three companies announced plans for constructing pellet plants in the state of Georgia in the 3Q/12. With six other pellet export plants already under construction and scheduled to begin operating in regions as widespread as Virginia to Texas, it is possible an additional 4.2 million tons of wood pellets will be crossing to Europe in 2015. This can be compared to an estimated 1.5 million tons likely to be exported from this region in 2012 as reported by the North American Wood Fiber Review.

Exports from both Eastern and Western Canada are also on schedule to grow, though not at the explosive rate being witnessed in the U.S. South. Several new Canadian pellet facilities, such as Holbrook Forest Products in Roddickton, Newfoundland, have expressed their intentions to export pellets, but have yet to do so for various reasons, including inadequate export dock facilities.

*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 in one report. 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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