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DECEMBER 14, 2016

Wood pellet production soars due to bioenergy targets

Growing demand for bioenergy, driven by renewable energy targets and policies in Europe, is driving an explosion in wood pellet production.

According to new data published by the Food and Agriculture Organisation of the United Nations (FAO), global production of pellets soared to 28 million tonne in 2015.

This represents an 8% increase from the previous year's level of 26 million tonnes and a 47% increase from the 19 million tonnes produced in 2012.

The bioenergy demand has resulted in a ten-fold increase in production in the last decade, FAO says in the study.

The Baltic States (Estonia, Latvia, and Lithuania), which produced and exported 3 million tonnes of pellets in 2015, overtook Germany and Canada and together emerged as the second largest producer and exporter of pellets after the US.

In 2015, the Baltic States accounted for 11% of production and 17% of exports globally.

Canada is now the third biggest pellets exporter and the fourth biggest producer after Germany.

The global markets of pellets were dominated by Europe and North America, with the US and Canada accounting for over one-third of global pellet production.

The UK, Denmark, and Italy accounted for some 80% of global pellet imports, with UK alone taking in 52% of the total.

Global production increase



21 December 2016



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Global production of all major wood products grew for the sixth consecutive year in 2015, while trade in wood products decreased slightly.

The increase was mainly boosted by the continuous economic growth in Asia, a recovering housing market in North America, and scaling up of the bioenergy targets.

In 2015, growth in the production volume of wood products ranged from between 1 to 8%, according to the FAO data.

At the same time, global trade value in primary wood and paper products shrank slightly from \$267 billion (€250bn) in 2014 to \$236 billion in 2015 due to lower prices for wood products.

Production of forest products has been healthiest in Asia-Pacific and North America due to a growing housing market.

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