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## Ban On Russian Wood Pellet Exports Would Have Consequences On Waste

by Daniela Castim

## Starting July 10, the Russian wood pellet exports to Europe will be completely stopped.

From this date, EU sanctions will come into effect, limiting the supply of wood products from Russia and Belarus. This is the main market for Russian companies. <u>According to Lesprom Analytics</u>, in 2021 the European Union accounted for 80% of Russian wood pellet exports, supplies amounted to 1.95 million tons and value amounted to \$320 million. Exports of wood pellets from Russia to the UK in the first quarter, according to Lesprom Analytics, increased by 6%, however, this growth was driven by an exceptionally sharp increase in January (+120%, 49 thousand tons), in March shipments fell by 76% to 7 thousand tons.

In April 2022, when the Russian and Belarusian trade certificates FSC and SBP were withdrawn, European companies began to refuse to purchase Russian wood pellets. And from mid-July, Russian sawmills in the North-West of Russia, the main producers and suppliers of wood pellets to Europe, will be completely without a sales market.

"Except for Europe, almost no one took Russian pellets," says Valery Pisarev, general director of LHK Cherepovetsles, "So with the closure of European markets, they will have nowhere to go. You can't deliver pellets to China – the price simply won't allow it." According to him, this may lead to sawmills not being able to recycle woodworking waste and will be forced to reduce lumber production.

Alexander Konyukhov, Deputy Director for Production at SevLesPil, confirms. "In part, the inability to supply pellets for export will entail a halt in production," he believes.

When sawmills cannot recycle waste that has already been transferred to the category of secondary raw materials, it piles up. This leads to the company being forced to either stop production or pay a fine. And since it is a fire hazardous product, It is also impossible to bury sawdust. This means that sawmills will be forced to either stop or look for alternative ways to use sawdust. It is not profitable to produce briquettes, as their price has fallen.

In Konyukhov's opinion, sawdust can be supplied to panel mills for chipboard and OSB production. However, this is possible only for 15–20% of sawdust in the total volume of wood raw materials.

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