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Wood pellet prices rise as UK ends Russian imports

The cost of wood pellets in the UK is rising, as pellets are no longer being sourced from Russia.

UK Pellet Council chair, Mark Lebus, said the organisation is working with overseas partners to help ensure a continuous supply of biomass wood pellets for UK customers, as wood pellets will no longer be sourced from Russia or imported from Russian producers.

“Given the previous levels of Russian exports, this will, of course, have an impact on supply worldwide, not just to the UK but for other countries too who are all now competing for the same premium product from similar suppliers,” commented Lebus.

“With UK and international sanctions in place, we estimate that total European production may be reduced by some 12-15%, so there may be some short-term price rises due to the ongoing situation and heightened competitiveness between countries.

“UK customers may have experienced the price per tonne rising by approximately 25-40% (cost average £360-385 [€428-458]), although most accept that this is still much lower than consumers using oil or gas-fuelled systems. Current wood pellet costs are also in line with prices across Europe.”

Lebus emphasized that price increases are only expected to be a short-term problem while new supply chains and arrangements are put in place.

“This will be mostly over the next six weeks and with heating demand from customers naturally falling as we head into the spring and warmer months, new imports coming into the UK, for instance from the Iberian peninsula, should ensure most end-users see minimal disruption.”

While the UK biomass heat industry is a small and niche market, primarily servicing rural and off-grid, domestic and commercial users, it operates in a global industry. Lebus noted the market going into the winter season was tight due to an increased roll-out of biomass boiler installations in Europe, and new renewable energy programmes being delivered across EU Member States, and this was further amplified by a sharp rise in shipping and container costs.

“These external factors also pushed other industries, such as the power stations and larger utility companies totally separate to the biomass heat sector, to purchase and opt for bigger bulk shipments,



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buying a much greater quantity of and higher quality of premium wood pellets, in addition to their usual lower, industrial-grade stock requirement,” he said.

“However, what we must seriously look at and the UK Government must seriously consider going forward is that we have a very real opportunity here and now to better support, strengthen and heavily invest in a home-grown wood pellet production market which would not only see the UK becoming mostly self-sufficient for biomass wood fuel, and, therefore, less reliant on imports and energy price hikes, but also attract greater inward investment for new manufacturing plants, creating thousands of green jobs for rural areas.”

The UK Pellet Council believes that by growing and fortifying a domestic production in line with sustainable forestry management and DEFRA’s tree planting and new woodland creation ambitions, the UK could take “huge strides” in achieving its net-zero goals.

“Long-term policy direction, signaled by government, could strongly encourage and deliver the kind of investment needed to develop strategic autonomy from world markets by quite literally, growing our own wood fuel supply,” said Lebus.

“At present, the UK cannot provide the required volumes and, therefore, we import on a considerable scale and have become drawn into a growing energy crisis.

“Biomass for heating creates more jobs than any other renewable technology, especially for rural communities with hard-to-heat or off-grid homes, and with the boiler replacement scheme offering £5,000 (€5,900) grants for new biomass installations from 1 April, the opportunity is right there in front of us, so these conversations must be had.”

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