

SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

FutureMetrics™

New White Paper

Can Pellet Factories Make Money in the Current Markets with their Legacy Offtake Agreements?

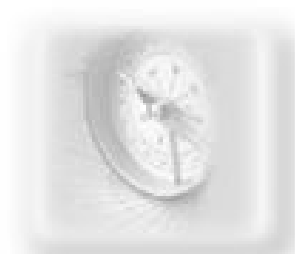
There has been much discussion recently about the offtake pricing relationships between pellet producers and pellet buyers.

Many years of near zero inflation resulted in some complacency in how offtake price adjustments were defined in the bilateral contracts between the pellet fuel producers and buyers. It became common to define an annual fixed adjustment to the sales price of the pellets; often in the range of 1.5% to 2.5%. With hindsight, it is obvious that this exposed producers to risk if the average cost of production increased faster than the price.

This brief white paper will set the foundation for the reader to use the dashboard that complements this analysis. Experiment with changing inputs to see the impacts on producer and buyer cash flows.

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FutureMetrics is the leading full service consultancy in the pellet fuel sector.



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Download the white paper and experiment with how your assumptions impact critical output metrics. Paper and dashboard at the FutureMetrics website.

www.FutureMetrics.com

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