International Wood Fiber Price Trends and Outlook

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Outline

• Global Wood Fiber Price Trends
• Regional Wood Fiber Markets
• Global Trade of Wood Chips
• US Pellet Fiber Price Indices and Biomass Markets
• What’s Next?
Global Wood Fiber Prices Trends
Global Pulp Production 1997 - 2017

Million tons

Change 2009-17
+7%
+15%
-1%
+8%

Source: Wood Resource Quarterly
Pulp Production by Region 2017-18

Source: Hawkins Wright
Wood Fiber Cost Share when Manufacturing Pulp

Wood Resources International
Global Wood Fiber Price Index 1Q/88 – 2Q/18

Source: Wood Resource Quarterly
Softwood Chip Prices 1Q/98 – 2Q/18

Source: Wood Resource Quarterly
Regional Wood Fiber Markets
Wood Fiber Markets – US South

- Increased Lumber Production
- Expanding Pellet Sector
- Past Year’s Pulplog Prices Lowest in Four Years
- Competitive Wood Raw-Material Costs
- Fiber Price Outlook 2018-19: Stable
Softwood Lumber Production in the US

Million m³

Sources: WWPA and WRI
Wood Fiber Markets – W. North America

• Increased Lumber Production
• Stable Wood Fiber Demand
• Wood Chip Prices at Six-Year Lows
• Chip Exports Stable from US, terminated in BC
• Price Outlook 2018-19:
  - US: Flat/Downward
  - Canada: Down
Wood Fiber Markets - Brazil

- Expansion of Hardwood Pulp Capacity Slowing
- Second Largest Pulp Producer in the World
- Eucalyptus Pulplog Prices Down in 2018
- Fiber Price Outlook 2019: Flat/Upward
Hardwood Pulpwood Prices in Brazil

Source: Wood Resource Quarterly
Wood Fiber Markets – Nordics

- Expansion of Softwood Pulp Capacity
- Rise in the Use of Domestic Roundwood
- Increased Pulpwood Prices in 2018
- Fiber Price Outlook 2019: Flat/Upward
Pulplog Imports to the Nordic Countries

Source: Customs data and the WRI
Wood Fiber Markets - China

- Lack of Domestic Forest Resources
- Largest Hardwood Chip Importer in the World
- High Wood Fiber Costs
- Fiber Price Outlook 2018-19: Flat
Hardwood Chip Import Volumes to China

Million odmt

Sources: Customs data and WRQ
Hardwood Chip Import Prices

Sources: Customs data and WRI estimates
Global Trade of Wood Chips
Global Wood Chip Trade

Source: WRI databank
Major Wood Chip Trade Flows

Sources: Customs data and WRI estimates
Wood Pellet Trade and Feedstock
North America Pellet Exports

Source: North American Wood Fiber Review
Feedstock for Pellet Plants in the US South and Canada in the 4Q/17

Source: North American Wood Fiber Review
Pellet Feedstock Price Indices (PFPI) US and Canada

Source: North American Wood Fiber Review
What’s next?
Questions?

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WoodPrices.com