

European wood pellet market update

Heating season 2025-26 outlook

Wood Pellet Association of Canada conference, Halifax

23-24 September 2025

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Argus Biomass Markets
Weekly biomass markets news and analysis

Issue 23-48 | Wednesday 29 November 2023

MARKET COMMENTARY

Atlantic basin: Spot firms

The spot price of industrial wood pellets for deliveries to northwest Europe (NWE) rose in the week, as generation was expected to ramp up due to lower temperatures.

The 90-days industrial wood pellet price increase by \$1.41/t to \$202.80/t cif NWE on Wednesday.

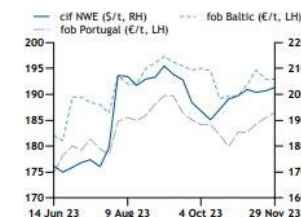
The spot window - which stretches to the last week of February 2024 - remained in a strong contango, with most demand from utilities focusing on the early months of next year. Lower-than-average temperatures forecast in key generating countries in Europe for the rest of 2023, would likely boost heating demand and draw down stocks, participants said. And due to the likelihood of higher generation within the spot window, demand increased in the week, as some utilities moved closer to a buy position.

Talks were underway to add an additional cargo onto an existing long-term contract at the originally agreed price level, a participant said. And bid levels for prompt handy-sized vessels remained at around \$175/t this week but talks did not reach agreement because sellers kept their offers remaining at a significant premium to this.

In the power sector, the UK's biomass-fired power generation stayed broadly flat on the week at 2.6GW on an average hourly basis in the week to 28 November.

A three-day outage at EPH's Lynemouth's 133MW unit 3 was extended to 2 December, from its previous 28 November end date.

Argus industrial wood pellet index



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EUROPEAN INDUSTRIAL WOOD PELLETS

Wood pellets - within 90 days (spot)	Week index		Month index		
	Price	Δ	Nov	Oct	Sep
cif NWE \$/t	202.80	+1.41	201.24	194.00	205.23
fob Baltic €/t	192.95	+0.06	192.45	192.05	195.93
fob Portugal €/t	186.35	+0.83	184.29	182.59	187.69

Wood pellets - within 90 days (spot)		Price	Δ
cif NWE \$/MWh		42.95	+0.30
fob Baltic €/MWh		40.86	+0.01
fob Portugal €/MWh		39.46	+0.17

Wood pellets - forward prices			
	Bid	Ask	Δ
cif NWE \$/t			
1Q24	213.50	219.50	+0.50
2Q24	212.00	218.00	nc
3Q24	212.00	218.00	nc
4Q24	217.00	223.00	nc
2024	213.60	219.60	+0.10
2025	215.50	221.50	nc
2026	209.50	215.50	nc
fob Baltic €/t			
1Q24	197.00	203.00	nc
2Q24	197.00	203.00	nc
3Q24	197.00	203.00	nc
4Q24	201.00	207.00	nc
2024	198.50	204.50	nc
2025	202.00	208.00	nc
2026	200.00	206.00	nc
fob Portugal €/t			
1Q24	187.25	193.25	+0.25
2Q24	187.00	193.00	nc
3Q24	187.00	193.00	nc
4Q24	191.00	197.00	nc
2024	188.00	194.00	nc
2025	191.50	197.50	nc
2026	189.50	195.50	nc

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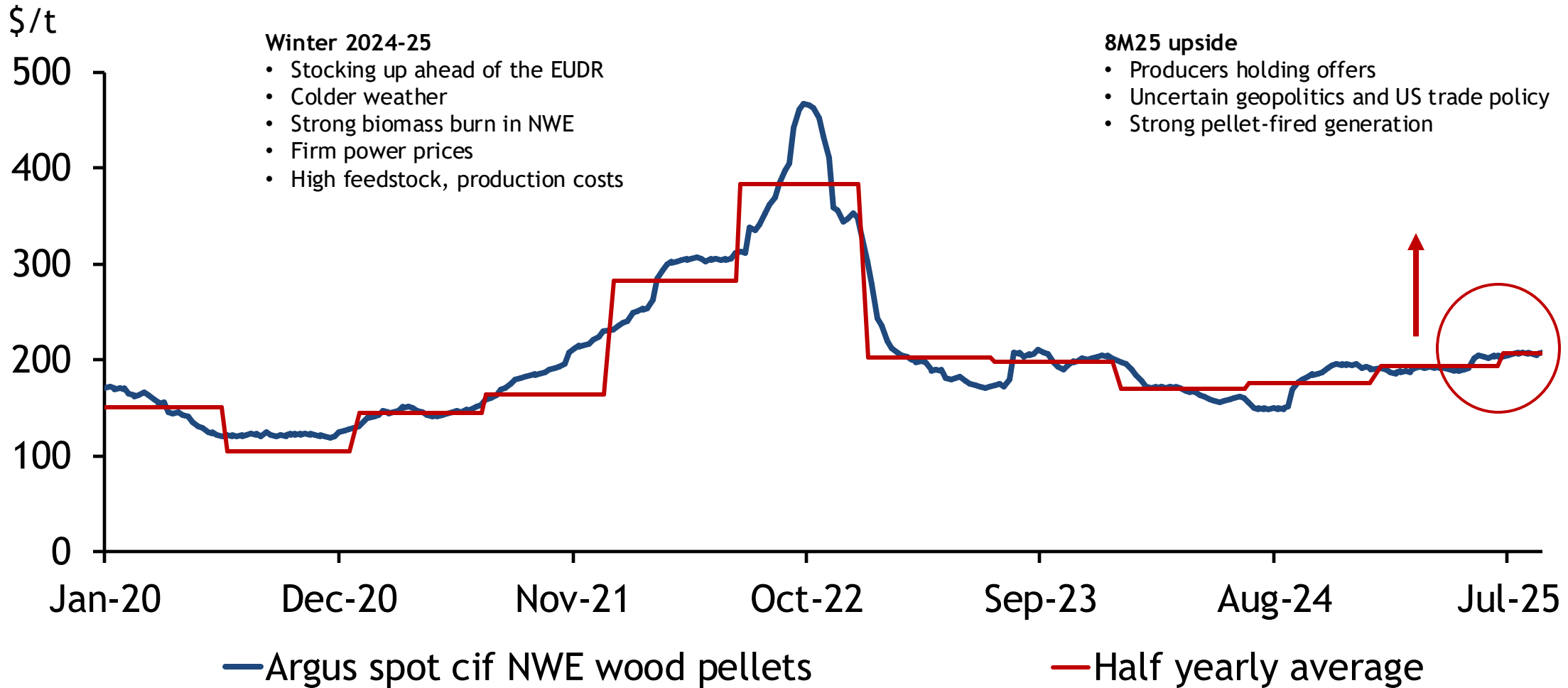
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| Agenda

Wood pellet spot market
European fundamentals
Outlook
Concluding thoughts

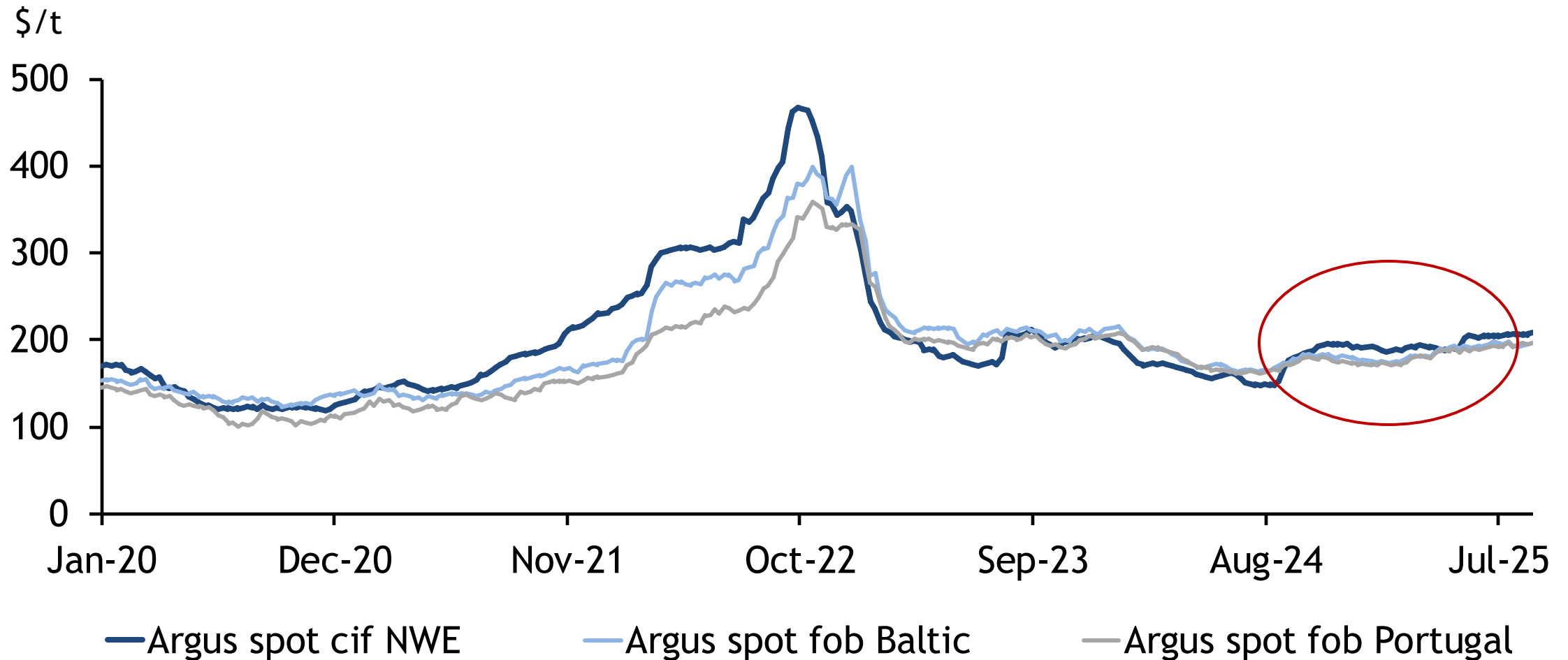
Spot rises ahead of 2025-26 heating season

Spot cif NWE wood pellet prices firm in 2025



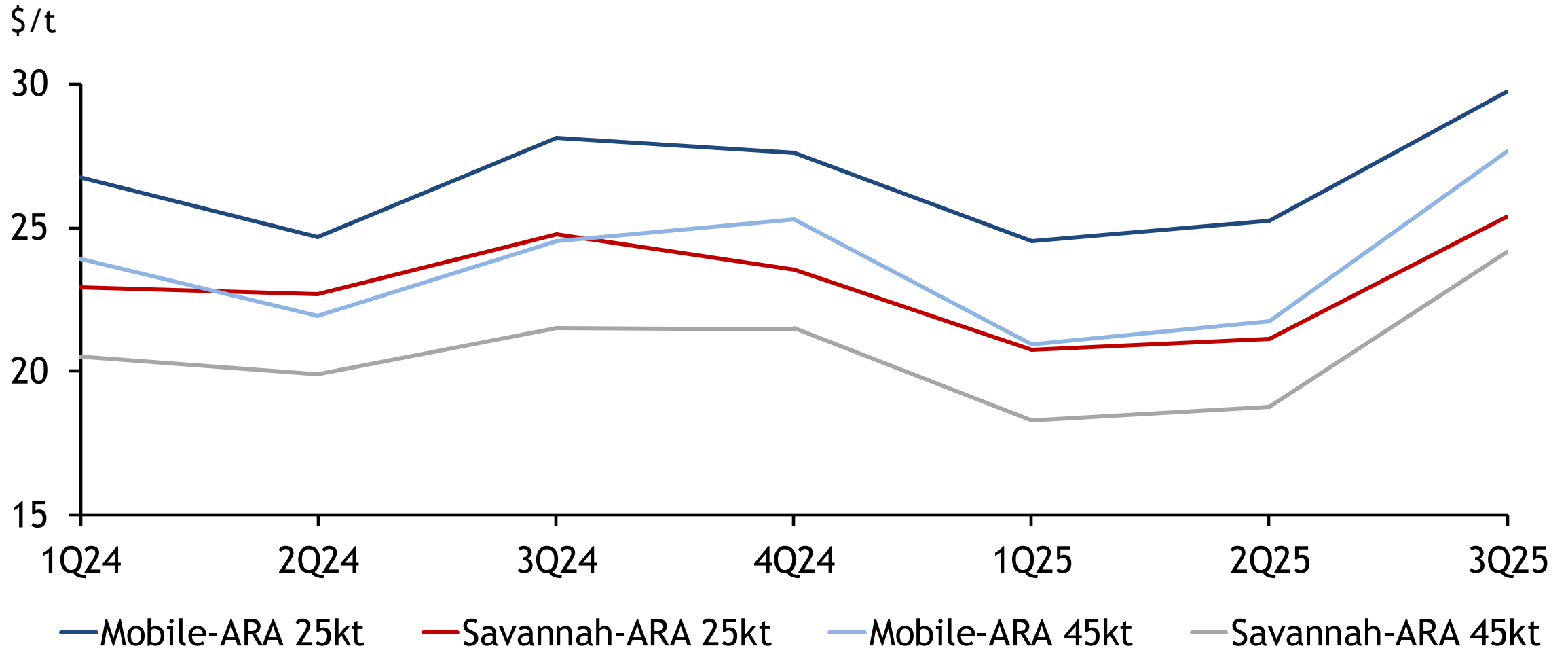
Source: Argus Media

European pellets competitive into NWE since 4Q24



Source: Argus Media

Trans-Atlantic freight rates strengthen in 2025



Source: Argus Media

Europe: demand robust, output adapting

Generation: UK & NL up, DK down YTD

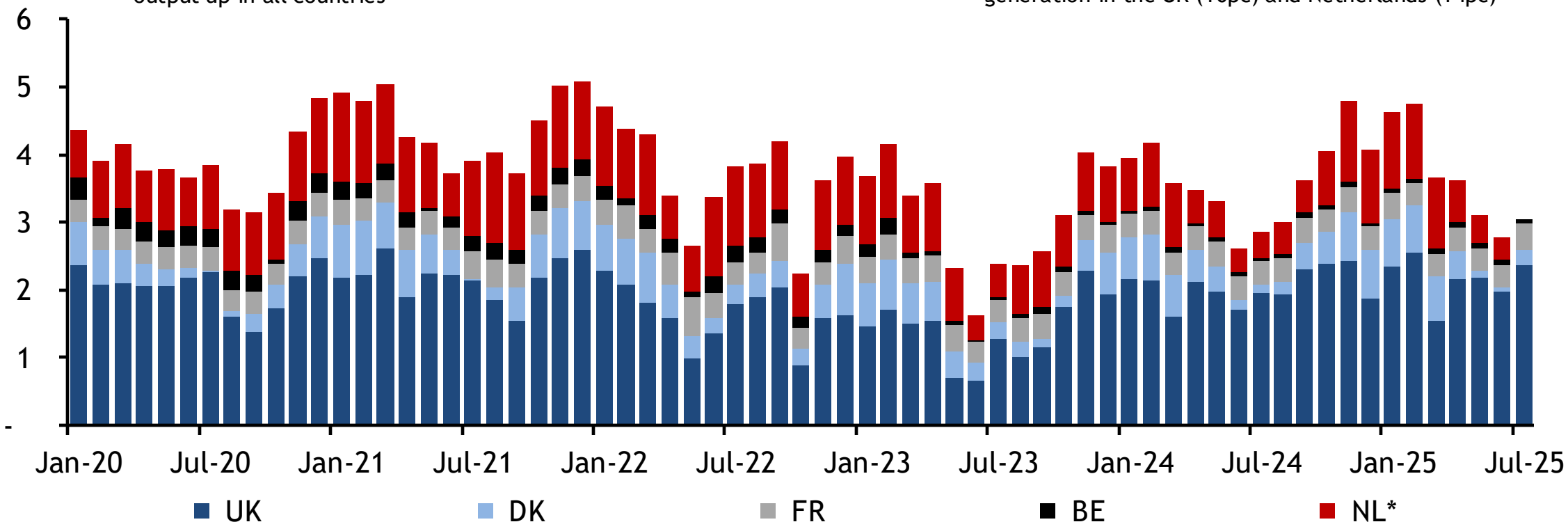
GW

Winter 2024-25:

NWE generation at three-year high, with output up in all countries

2025:

NWE biomass burn firmed yoy, supported by stronger generation in the UK (10pc) and Netherlands (14pc)

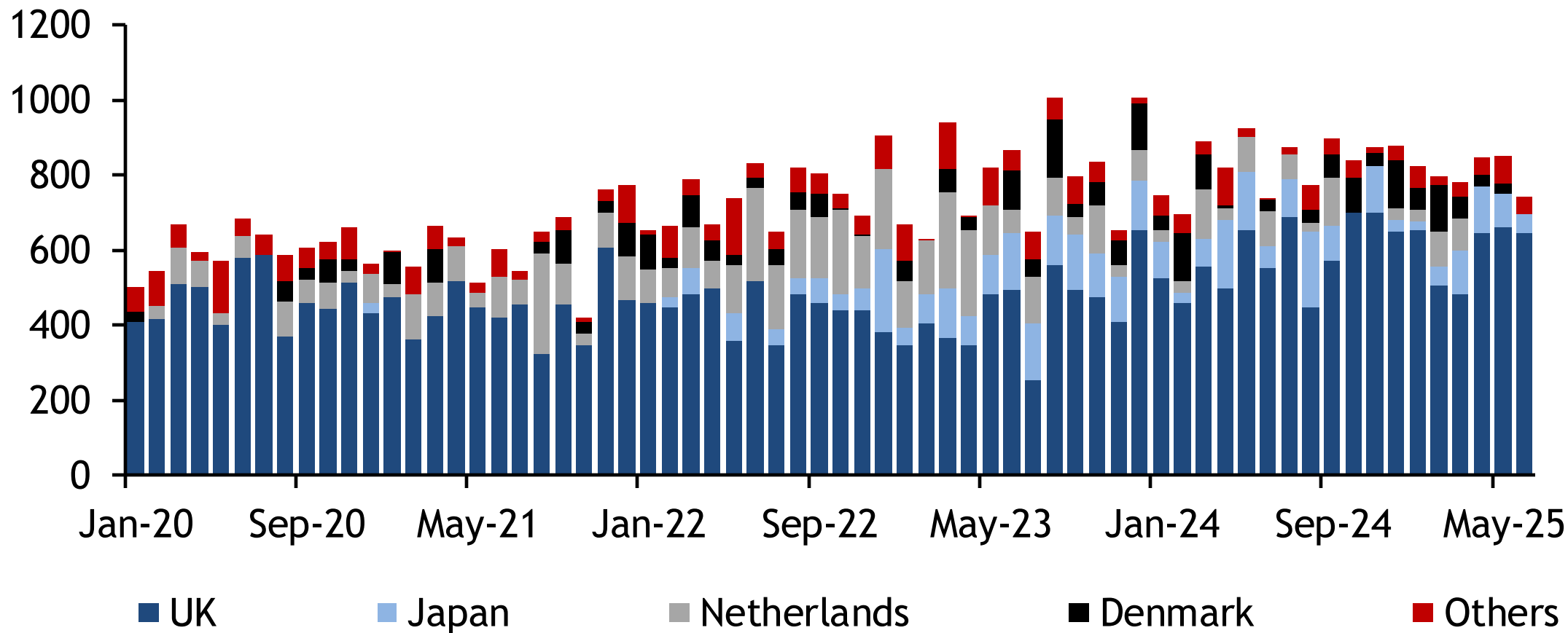


Source: National Grid, CBS, Entsoe, Argus calculations; average hourly basis.

Note: Entsoe and CBS data may include generation from wood chips and other forms of biomass. NL data for FebMar 25 estimated.

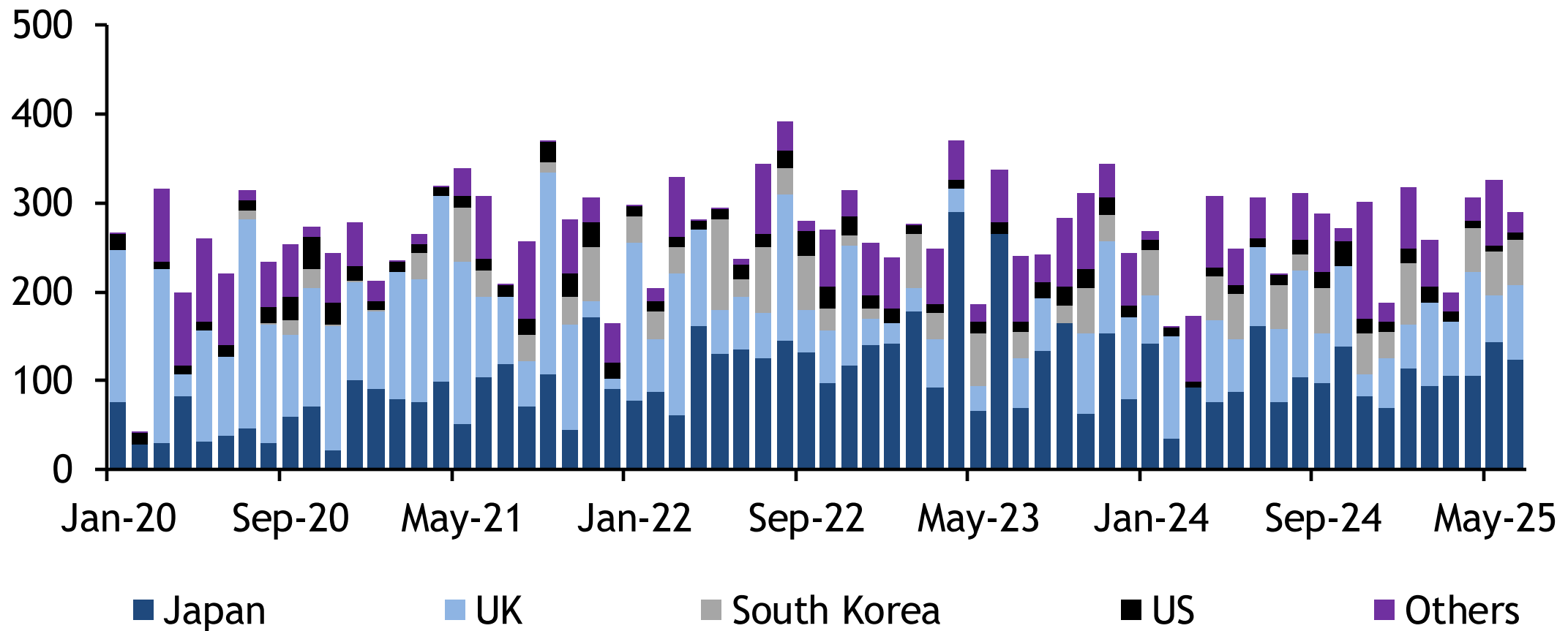
US winter exports at record high in 2024-25

'000 t



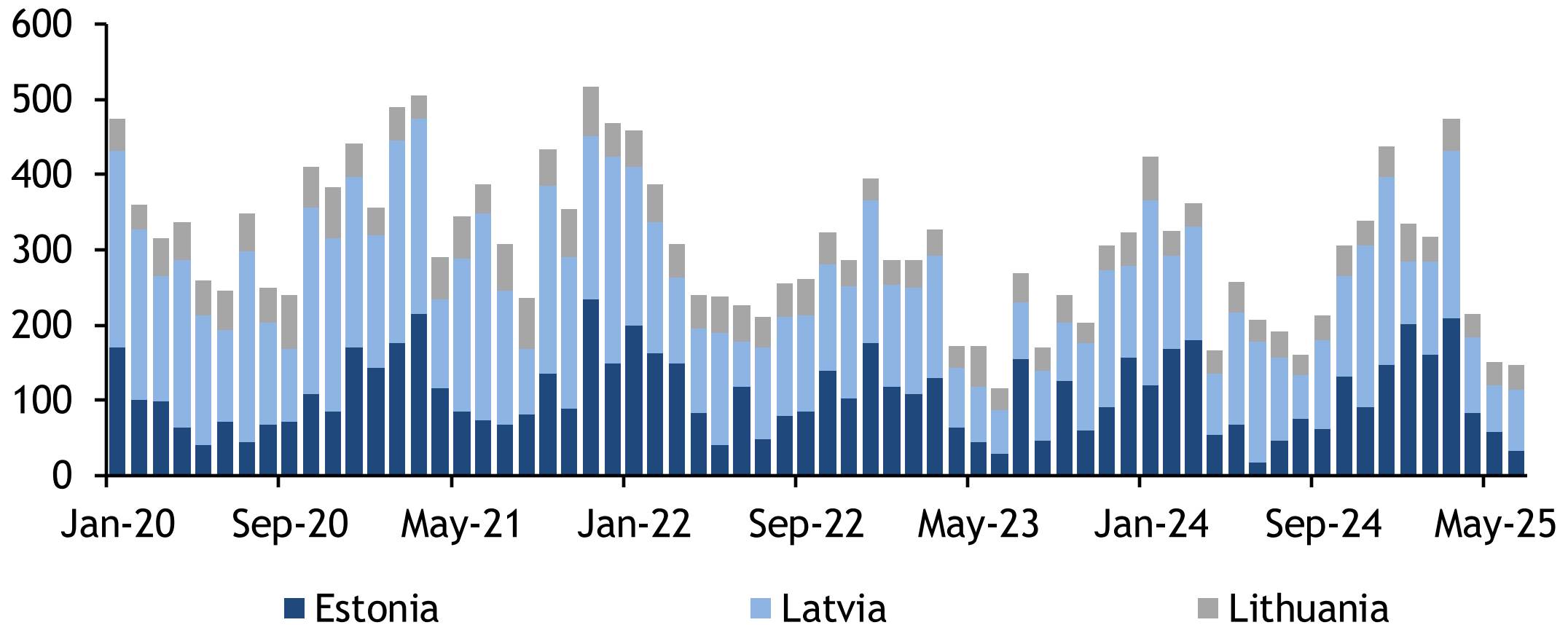
Canadian YTD exports highest since 2022

'000 t



Baltic exports ease in 1H25

'000 t



Outlook

Short- and long-term factors

| Risks vs opportunities

Short term:

- Revision of EU renewable directive (RED III)
- EU Deforestation Regulation (EUDR) from 30 December 2025
- Land use, land use change and forestry (LULUCF)

Longer term:

- Rising demand from heavy industries, biofuels, data centres
- Bioenergy with carbon capture and storage (Beccs)
- Thermally treated biomass: biocoal, biocarbon, biochar

Questions?

Thank you!

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