



Eyeing Global Demand, High Fossil Fuel Prices, Pellet Producers Urging Consumers to Plan Ahead

August 23, 2022 (Seattle, WA) – Wood pellet manufacturers across the country are urging the owners of wood pellet heating appliances to secure their pellet fuel early this year as the global pellet market works to fill a significant supply hole created by the Russian invasion of Ukraine.

“Russia contributed at least 2 million tons of wood pellets to global pellet markets, mostly to European buyers,” said Tim Portz, Executive Director of the Pellet Fuels Institute (PFI). “The demand to fill these missing tons is being felt throughout the world, including here in the United States.”

In preparation for the coming heating season, wood pellet producers are urging consumers to stock up now.

“The demand currently being felt here from foreign buyers for heating pellets isn’t common,” said Portz. “This year that isn’t the only demand variable that our members are eyeing. Heating oil and propane prices are high, and we know this leads to the increased use of the wood pellets with consumers who have both oil and pellet appliances in their homes.”

According to data captured by the U.S. Energy Information Administration annual pellet sales have fluctuated between 1.7 million and 2.2 million tons within the last five years.

“Within five years we saw annual sales numbers vary by a half million tons, that’s almost a 25% variance,” said Portz. “That illustrates how dynamic and unpredictable wood pellet demand can be.”

Pellet inventories in the United States are strong right now, but pellet producers highlight the importance of keeping inventory moving through the system in the run up to the heating season. Strong late summer sales allow producers to run at full throttle and build inventory before usage begins to outpace production in the depths of winter.

“As an industry we’ve made great progress engaging our end user in increasing summertime pellet buying,” said Portz. “The variables in play for this year’s heating season has producers hoping even more pellet users will take this opportunity to secure a good portion of what they’ll need this winter.”

Wood pellets are used as primary or secondary space heat in over 1 million homes, creating annual demand for nearly 2 million tons of premium heating pellets. Wood pellets are made from the waste streams generated by the manufacturers of primary and secondary forest products like dimensional lumber, hardwood flooring, wood pallets and cabinetry.

About the Pellet Fuels Institute

The Pellet Fuels Institute (PFI) is a trade association representing the manufacturers of wood pellets in the United States and the companies and organizations that support them. The PFI is dedicated to

raising awareness about the benefits of using wood pellets to heat homes, businesses and institutions and ensuring that consistent, high-quality product is readily available in the marketplace.

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