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Argus Biomass Markets

Weekly biomass markets news and analysis

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MARKET COMMENTARY

Atlantic basin biomass: Spot price inches up

The Argus-assessed spot price of industrial wood pellets for delivery to northwest Europe (NWE) edged higher on the week, as buying and selling activity remained muted during the summer holiday season.

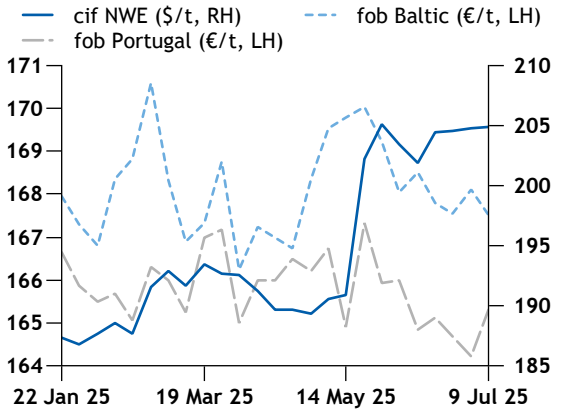
The 90-days industrial wood pellet price inched up by $0.08/t to $204.85/t cif NWE on Wednesday. There was limited supply being offered into market in the week, with producers rather waiting for price increases along the curve than sell at prevailing levels.

Offers for handy-sized spot cargoes in recent weeks held around $205/t cif NWE, although no deals were concluded. Many market participants were on summer holidays and many utilities held adequate stocks for expected generation within the spot window, which extends to 8 October. Discussions for the deliveries over October-November hovered around $209/t cif NWE.

UK pellet-fired generation was scheduled broadly flat at an hourly average of 3GW on 2-8 July compared to a week earlier. That said, depending on the UK power mix — particularly wind — strong biomass-fired generation in that country in the coming weeks could draw down stocks and support spot buying interest in the third quarter.

In Denmark, biomass-fired generation averaged 80MW in the week to 8 July, down from 97MW a week earlier, according to Entsoe data that include pellets as well as other types of biomass feedstock.

Argus industrial wood pellet index



EUROPEAN INDUSTRIAL WOOD PELLETS

Wood pellets - within 90 days (spot)	Week index		Month index		
	Price	±	Jun	May	Apr
cif NWE $/t	204.85	+0.08	203.61	197.22	190.51
fob Baltic €/t	167.53	-0.57	167.97	169.65	167.12
fob Portugal €/t	165.32	+1.09	165.16	166.23	165.94

Wood pellets - within 90 days (spot)	Price	±
cif NWE $/MWh	43.38	+0.01
fob Baltic €/MWh	35.48	-0.12
fob Portugal €/MWh	35.01	+0.23

Wood pellets - forward prices	Bid	Ask	±
cif NWE $/t			
3Q25	201.50	207.50	-0.25
4Q25	206.00	212.00	nc
1Q26	206.50	212.50	nc
2Q26	205.00	211.00	nc
2026	207.00	213.00	nc
2027	195.00	215.00	nc
2028	195.00	215.00	nc
fob Baltic €/t			
3Q25	164.00	170.00	-1.00
4Q25	172.00	178.00	nc
1Q26	172.00	178.00	nc
2Q26	170.00	176.00	nc
2026	172.00	178.00	nc
2027	164.00	184.00	nc
2028	164.00	184.00	nc
fob Portugal €/t			
3Q25	161.50	167.50	+0.25
4Q25	172.00	178.00	nc
1Q26	172.00	178.00	nc
2Q26	171.50	177.50	nc
2026	172.25	178.25	nc
2027	164.00	184.00	nc
2028	164.00	184.00	nc

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And in the Netherlands, RWE's 631MW Amer 9 unit will run at partial capacity on 4-8 July. Its 780MW Eemshaven A unit, which runs 30pc pellets, finished an outage for maintenance on Wednesday after having gone offline on 19 May. The unit is scheduled to shut down for another maintenance outage on 25 July-15 August.

Further out, offers of industrial pellets for delivery in 2026 stood $210-215/t cif NWE although a matching bid was yet to materialise.

In the freight market, time charter (TC) rates for ultramax-sized vessels on trans-Atlantic routes out of the US gulf and US east coast to continental Europe rose from a week earlier to $25,000/d, from $22,000-23,000/d a week earlier. While TC rates came slightly off for routes from the US gulf and US east coast to China, which were heard at $22,000/d.

In the Baltics, the spot 90-days pellet price fell by €0.57/t on the week to €167.53/t fob Baltic. Spot buying of Baltic supply remained limited, but one market participant was said to be discussing a 4000-5000 t sale at €170-172/t FOB Riga.

Buyers of Baltic pellets still had stocks to draw from this week, which like in other recent weeks, contributed to capping demand for fresh pellets. But companies may enter winter 2025-26 with lower stocks than at the start of winter 2024-25 and buying interest could pick up from September, several market participants said.

Elsewhere, the fob Portugal price rose by €1.09/t on the week to €165.32/t fob.

As in the Baltics, buyers were said to be less interested in spot supply out of Portugal over the past week and were instead continuing discussions with producers for shipments over the upcoming heating season. Portuguese producers remained focused on delivering long-term contracts and for now have ample raw material to use, market participants suggested.

NORTH AMERICAN INDUSTRIAL WOOD PELLETS

Wood pellets NWE to N America netbacks - spot					$/t
Netback	**Delivery period**	**Mid**	**Bid**	**Ask**	**±**
NWE to southeast US	Spot		177.25	181.25	+0.25
NWE to southwest Canada	Spot		158.75	162.75	-0.50
NWE to northeast US	Spot	180.35			+0.35

Wood pellets NWE to N America netbacks - spot					$/MWh
Netback	**Delivery period**	**Mid**	**Bid**	**Ask**	**±**
NWE to southeast US	Spot		37.54	38.38	+0.06
NWE to southwest Canada	Spot		33.62	34.47	-0.11
NWE to northeast US	Spot	38.19			+0.07

Wood pellets NWE to N America netbacks - forward				$/t
	Mid	**Bid**	**Ask**	**±**
NWE to southeast US				
3Q25		176.00	182.00	nc
4Q25		180.50	186.50	+0.25
1Q26		179.00	189.00	+0.25
2Q26		177.50	187.50	+0.25
2026		179.50	189.50	+0.25
2027		174.50	184.50	+0.25
2028		174.50	184.50	+0.25
NWE to southwest Canada				
3Q25		157.50	163.50	-0.75
4Q25		162.00	168.00	-0.50
1Q26		160.50	170.50	-0.50
2Q26		159.00	169.00	-0.50
2026		161.00	171.00	-0.50
2027		156.00	166.00	-0.50
2028		156.00	166.00	-0.50
NWE to northeast US				
3Q25	180.00			nc
4Q25	184.50			+0.25
1Q26	185.00			+0.25
2Q26	183.50			+0.25
2026	185.50			+0.25
2027	180.50			+0.25
2028	180.50			+0.25

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European wood chips: Spot holds

The spot price of industrial wood chips for deliveries to northwest Europe (NWE) held flat on the week, as there was limited buying interest and both end-users and suppliers remained focused on discussions for the 2025-26 heating season.

Firm offers for loadings over fourth-quarter 2025 were heard around €23/MWh fob Baltic, while offers from Germany were at €26-28/MWh fob. While some end-users continued to engage in discussions for the upcoming heating season, many waited to conclude deals for the next heating season until later in the year, when they would have a clearer idea of stocks.

That said, construction of new wood chip-fired heating plants in Poland will likely bring pockets of new demand over the coming year.

There was ample supply of raw materials in the Baltics and northern Europe, although some market participants have expressed concern over raw material availability in those regions potentially tightening over the third and fourth quarters of this year because of a decline in sawmilling activity. That said, one participant expected steady supply of feedstock from forestry residues and thinnings to prevent any significant impact on wood chip production from reduced sawmilling residues.

Closer in, the 90-day industrial wood chip price held flat at €8/GJ cif NWE on Wednesday. Spot offers continued to hold around €21-22/MWh fob Baltics in the week, although end-users were not looking to secure fresh spot volumes because many wood chip-fired combined heat and power plants in Scandinavia were still closed for the summer. Many wood chip-fired plants will be offline until mid-August or September, end-users said.

On the power market, Finnish district heating plant Kaukaan Voima Oy's 125MW facility went offline for planned maintenance on 7 July-1 September because of a "lack of heating demand", the latest available Remit data on Wednesday showed. And Metsa Fibre's 250MW Kemi plant on Monday finished its partial outage for annual maintenance that began on 28 May.

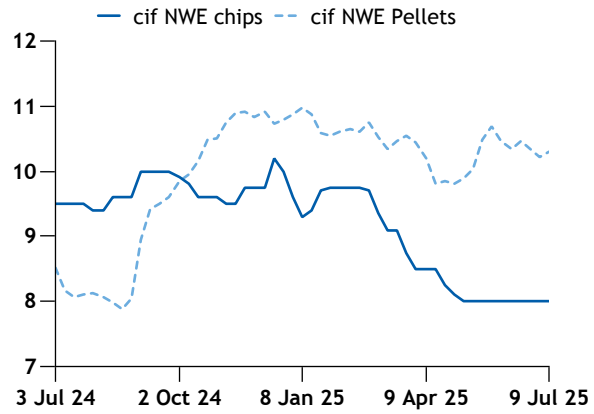
Elsewhere, offers from the Iberian Peninsula were in a wide range of €7-8/GJ fob northern Iberian Peninsula and €6.50-7/GJ fob southern Iberian Peninsula for the next heating season. Market participants expected Iberian wood chips to remain readily available throughout the 2025-26 heating season.

INDUSTRIAL WOOD CHIPS

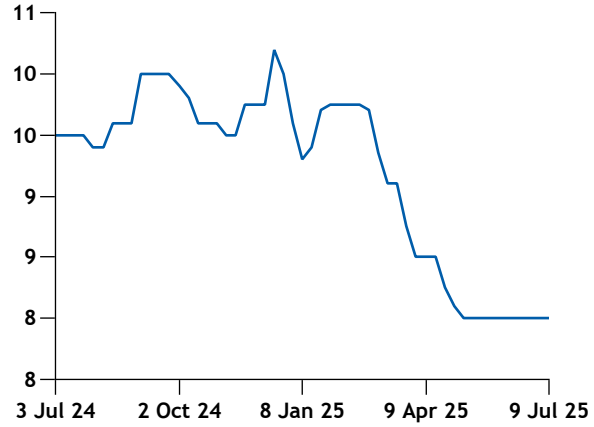
NWE wood chips - within 90 days (spot)					€/GJ
	Week index		Month index		
	Price	±	Jun	May	Apr
cif NWE	8.00	nc	8.00	8.00	8.37

Wood chips cif NWE - forward prices			€/GJ
	Bid	Ask	±
3Q25	7.00	9.00	nc
4Q25	8.15	10.15	nc
1Q26	8.90	9.90	nc
2Q26	8.50	9.50	nc
2026	8.75	9.75	nc
2027	8.50	9.50	nc
2028	8.50	9.50	nc

Spot wood chips vs pellets cif NWE €/GJ



Spot wood chips, cif NEW €/GJ



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European premium: Spot steady

The 45-day spot price for ENplus-certified A1-grade pellets delivered to northern Italy remained unchanged on the week, as buying interest remained limited and distributors still held substantial stocks.

The traded ranges for spot bagged and bulk premium pellets were assessed at €232.50/t and €200/t delivered northern Italy, respectively, on Wednesday, unmoved from a week earlier.

Premium pellets producers in Austria and Germany were offering bulk supply in a wide €200-250/t ex-works range, but that supply faces competition from Balkan ENplus-certified pellets available for delivery to northern Italy at around €220/t, market participants told *Argus*.

Greater availability of raw materials in the Balkans compared to Austria has contributed to the differential between pellets coming out of those markets.

Argus' latest 45-day spot prices for northern Italy-delivered premium pellets are already above the average spot price of €235.60/t for bagged and €211.10/t for bulk supply across the October 2024-March 2025 winter season.

And prevailing Italian forward gas prices could help make gas-fired heating systems cheaper to run this coming winter than in winter 2024-25. *Argus*-assessed forward wholesale gas prices at Italy's PSV hub for the upcoming October 2025-March 2026 winter season closed at €37.72/MWh on Tuesday. If maintained until delivery, that price would constitute a large step down from the average PSV everyday price of €46.38/MWh in winter 2024-25.

In any case, residential buyers of premium pellets in Italy and other Mediterranean countries may for the moment be more focused on keeping cool than stocking up for the winter heating season, as weather has been unseasonably hot in recent weeks, some market participants suggested.

Last month was the third-warmest June on record globally, while much of Europe experienced an "exceptional heatwave" during the month, EU earth-monitoring service Copernicus said on Wednesday.

Maximum temperatures in the northern Italian city of Milan hit a one-year high of 36°C on 28 June. Daytime highs there have averaged roughly 33°C over the past two weeks, around 3°C above the average for that time of year over the past 10 years, but weather forecasts on Wednesday showed high temperatures in Milan falling to a 29°C average over the coming week.

Argus cif NWE monthly figures	$/t
Balance of Jul	204.00
Aug	204.00
Sep	205.50
Oct	209.00

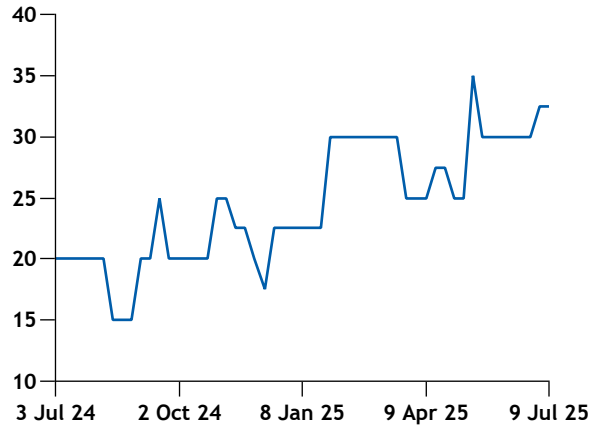
The figures above are an average survey result value for each month contained in the 90-day spot period. They are shown for indicative purposes, to better illustrate the composition of the market survey component of the spot cif NWE index. The spot index value can be found on page 1 of the report.

EUROPEAN PREMIUM WOOD PELLETS

Wood pellets - within 45 days (spot)				€/t
Delivered northern Italy	**Mid**	**Low**	**High**	**±**
Bulk	200.00	190.00	210.00	nc
Bagged	232.50	205.00	260.00	nc

Premium wood pellets			€/t
	Month index		
Delivered northern Italy	**Jun**	**May**	**Apr**
Bulk	195.63	193.75	208.50
Bagged	225.63	223.75	234.50

Italian premium prices: bagged vs bulk €/t



Argus successfully completes annual Iosco assurance review

Argus has completed the 12th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group Iosco's Principles for Oil Price Reporting Agencies, and Iosco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website https://www.argusmedia.com/en/about-us/governance-compliance

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Asian industrial: Wood pellet, PKS prices mixed

The 90-day spot price for Vietnamese industrial-grade wood pellets of the specification typically sold to South Korea rose this week, supported by firmer demand for higher-quality Vietnamese wood pellets.

Argus assessed the price of wood pellets sold to South Korea at $131.78/t fob Vietnam, up by 36¢/t on the week, while the cfr Gwangyang price was marked at $139.22/t, down by 18¢/t on the week.

South Korean independent power producer (IPP) SGC Energy on 7 July released the results of a tender seeking 70,000t of wood pellets at $136-139/t on a cfr basis for August loading.

The system marginal price (SMP) for inland South Korea power, excluding Jeju Island, rose. The SMP — the price at which IPPs sell power to state-owned Kepco — stood at 129.24 won/kWh (9¢/kWh) on 8 July, up from W122.07/kWh on 1 July.

South Korea's renewable energy credit (REC) rose to W71,400/REC on 8 July from W71,200/REC on 3 July and W71,300/REC on 1 July, Korea Power Exchange data show.

Vietnamese sellers have shifted their focus from offering low prices to providing wood pellets that closely meet buyers' quality requirements. Vietnamese wood pellet cargoes heading to Japan are under heavy scrutiny amid quality issues at discharge ports in recent weeks. South Korean buyers have also imposed strict quality inspections at their ports.

Wood pellet demand in Japan remains firm, with several biomass-fired plants starting up in the country, including the 75MW Sodegaura plant in Chiba prefecture, which came on line on 8 July and will burn around 300,000 t/yr of pellets imported from southeast Asia. Most Japanese buyers have already secured cargoes for the high demand summer season.

Some Japanese power producers are likely to request that biomass sellers undergo additional lab tests to check for quality at discharge ports, according to several market sources. No seller has agreed a contract completely based on quality analysis at discharge ports.

The Vietnamese price for pellets that meet Japan's feed-in tariff (FIT) requirements fell. The fob Vietnam price for FIT-compliant pellets fell by $1.35/t on the week to $150.21/t. Bulk freight rates from Vietnam to Japan were in a wide range of $25-40/t this week.

In the Indonesian palm kernel shell (PKS) market, July's harvest season has not met initial production expectations — with supply falling by at least 10pc from June because of erratic rainy weather, market sources said. Production has been low, with some mills reaching only 60-80pc of output capacity.

ASIAN INDUSTRIAL WOOD PELLETS

Wood pellets - 90 days (spot)					$/t
	Week index		Month index		
	Price	±	Jun	May	Apr
fob Vietnam to S Korea	131.78	+0.36	132.56	135.17	138.12
fob Vietnam to Japan FIT	150.21	-1.35	151.77	150.40	151.12
cfr Gwangyang	139.22	-0.18	140.40	142.29	144.63

ASIAN PALM KERNEL SHELLS

Palm kernel shell (spot)					$/t
	Week index		Month index		
	Price	±	Jun	May	Apr
Excl. to Japan FIT					
fob east coast Sumatra	92.75	+0.75	93.44	98.53	100.96
To Japan FIT					
fob east coast Sumatra	93.19	+0.19	94.44	100.69	103.71
fob peninsular Malaysia	90.78	-1.22	92.95	96.47	95.80

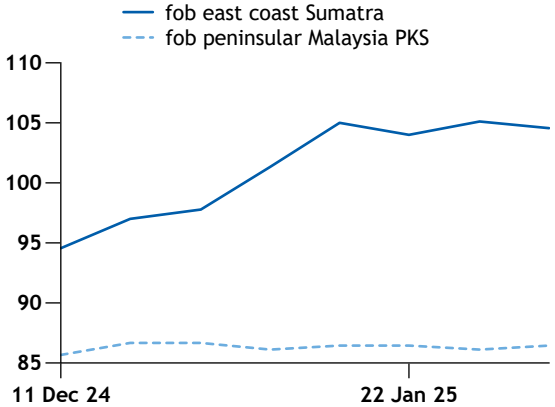
Demand for Indonesian PKS for the next six months is gradually rising. A Japanese energy company is seeking up to 200,000t of PKS for its biomass-fired power plant for next year.

Some Indonesian suppliers received interest from Japanese buyers for PKS delivery in January 2026, with two or three enquiries for August to December this year. An Indonesian supplier was heard to be offering $85-90/t fob Sumatra for 10,000t to be delivered in October to Japan, according to a market source.

The Indonesian market for PKS that meets Japan's FIT requirements was assessed 19¢/t higher on the week at $93.19/t fob east coast Sumatra. The market for material that is not Japan FIT compliant was marked at $92.75/t fob east coast Sumatra, 75¢/t higher on the week.

Prices for Malaysian PKS that complies with Japan's FIT requirements fell by $1.22/t on the week to $90.78/t fob peninsular Malaysia.

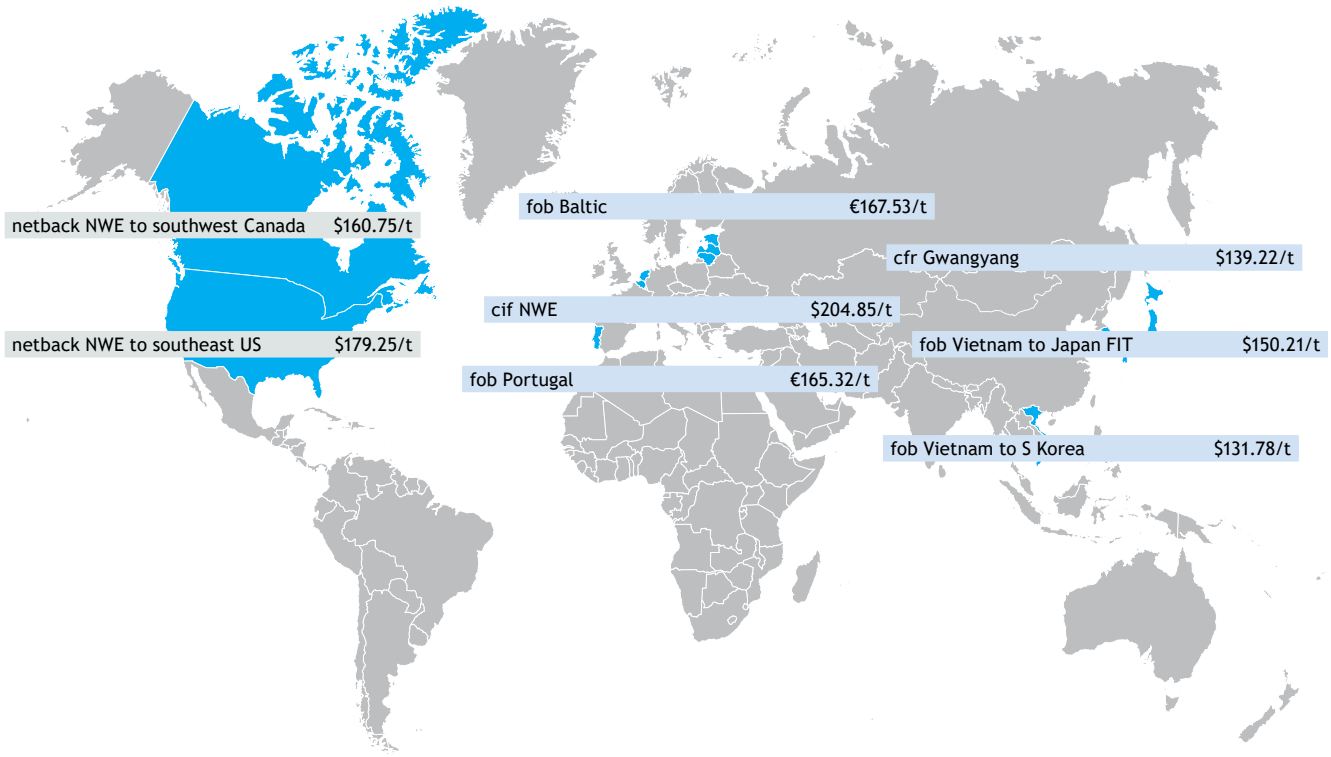
PKS spot prices $/t



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INDUSTRIAL WOOD PELLET SPOT PRICES AT A GLANCE



COMPETING FUELS

Argus competing fuel assessments	Units	Delivery	Price
Europe			
Gasoil heating oil French cif NWE	$/t	prompt	746.000
Natural gas NBP	€/MWh	Aug	31.7350
US			
Fuel oil 1% New York Harbor	$/bl	prompt	71.280
Natural gas Nymex	$/mnBtu	Aug	3.412
European Emissions			
CO_2 EU ETS	€/t	2026	70.350

WOOD PELLET FREIGHT RATES

Argus wood pellet freight indications, spot cargo				
Route	**Tonnage**	**Units**	**Rate**	**±**
Aveiro-ARA	3500	€/t	20.00	nc
Aveiro-Copenhagen	3500	€/t	21.00	nc
Aveiro-Hull (UK)	3500	€/t	17.75	nc
Riga-ARA	5000	€/t	20.00	nc
Riga-Copenhagen	5000	€/t	15.00	nc
Riga-Stockholm	5000	€/t	15.00	nc
Mobile-ARA	25000	$/t	30.25	-1.00
Mobile-ARA	45000	$/t	26.75	nc
Savannah-ARA	25000	$/t	25.50	-0.25
Savannah-ARA	45000	$/t	23.50	+1.25
Vancouver-ARA	45000	$/t	44.00	+0.50

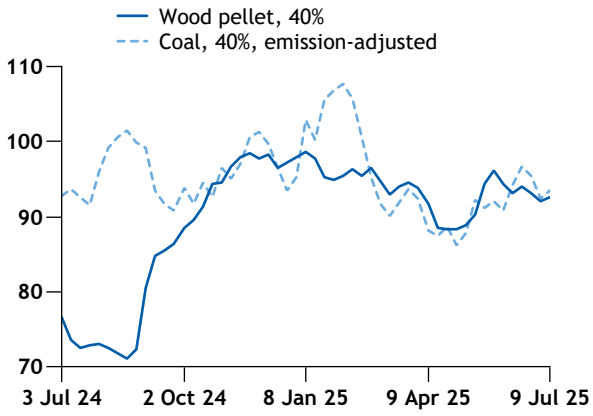
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BREAK-EVEN GENERATION COSTS

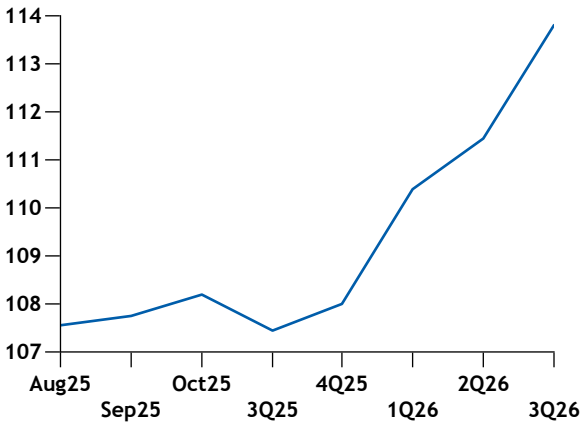
cif NWE wood pellet break-even			cif ARA coal break-even			Natural gas TTF break even		*09 Jul*
Plant efficiency	Spot	4Q25	Plant efficiency	Spot	4Q25	Plant efficiency	Spot	4Q25
$/MWh								
36%	120.51	122.95	36%	121.61	122.21	49.13%	115.25	119.03
38%	114.17	116.48	38%	115.21	115.77	55%	102.95	106.33
40%	108.46	110.66	40%	109.45	109.98	58%	97.63	100.83
41%	105.81	107.96	41%	106.78	107.30	60%	94.37	97.47
€/MWh								
36%	102.94	105.03	36%	103.88	104.39	49.13%	98.45	101.68
38%	97.52	99.50	38%	98.41	98.89	55%	87.94	90.83
40%	92.65	94.52	40%	93.49	93.95	58%	83.39	86.13
41%	90.39	92.22	41%	91.21	91.66	60%	80.61	83.26

**Breakeven generation costs represent the calculated costs of generating power with wood pellets and/or coal based on Argus assessed spot prices. For a plant to break even, the combined price of power and subsidy amount (if applicable) would need to be equal to the calculated breakeven generation cost.*

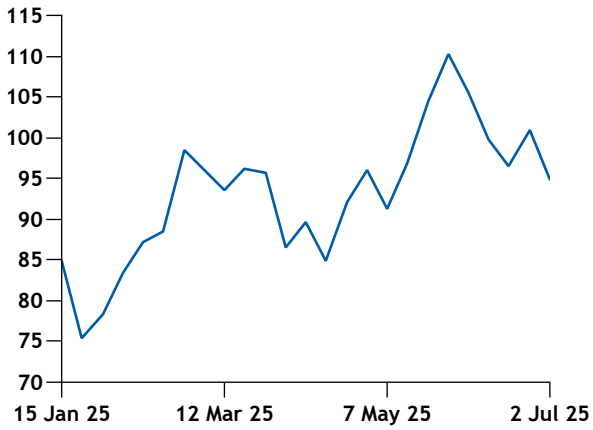
Break-even generation cost, cif NWE spot *€/MWh*



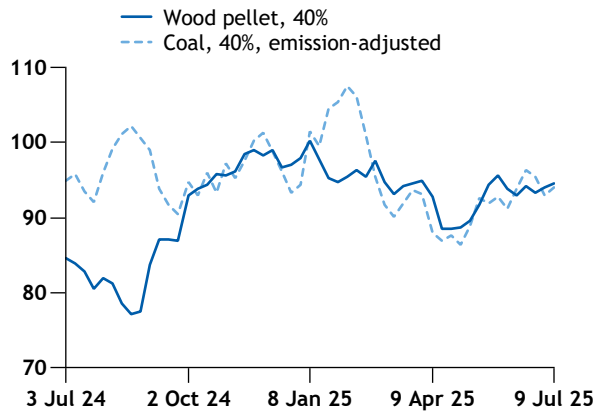
cif ARA coal swaps forward curve *$/t*



Wood pellet, cif NWE spot premium to coal, cif ARA *$/t*



Break-even generation cost, cif NWE front quarter *€/MWh*



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WEATHER

European weather - Departure from normal temperatures												°C
Location	10 Jul		11 Jul		12 Jul		13 Jul		14 Jul		Precipitation (mm)	
	Avg	± normal*	Avg	± normal*	Avg	± normal*	Avg	± normal*	Avg	± normal*	5-day	15-day
UK — London Heathrow	23.1	4.5	24.7	6.1	25.3	6.6	25.4	6.7	25.7	6.9	0.9	16.7
Norway — Bergen Florida	16.3	0.3	19.0	3.0	20.8	4.8	22.6	6.5	21.7	5.6	5.8	33.4
Norway — Oslo Blindern	18.7	0.9	20.7	2.8	22.5	4.6	22.5	4.6	21.9	4.0	13.3	49.6
France — Paris Orly	19.5	-0.4	21.6	1.7	22.2	2.3	23.6	3.6	25.4	5.4	1.0	12.3
The Netherlands — Amsterdam Schiphol	18.7	0.8	19.3	1.4	20.4	2.4	21.1	3.1	21.8	3.8	2.4	23.7
Germany — Essen	16.2	-2.3	17.6	-0.9	19.0	0.4	19.8	1.2	20.6	2.0	5.1	28.0
Germany — Berlin Tempelhof	19.3	-0.6	18.9	-1.0	18.1	-1.9	18.8	-1.2	19.3	-0.8	23.4	49.6
Italy — Milano Malpensa	21.4	-3.7	22.6	-2.6	22.2	-3.0	22.4	-2.8	23.6	-1.6	13.1	46.4
Italy — Rome Fiumicino	24.0	1.5	24.2	1.6	24.4	1.3	25.2	1.9	25.8	2.4	2.6	4.1
Poland — Warsaw Okecie	17.2	-2.6	16.1	-3.8	17.2	-2.7	19.0	-1.0	19.7	-0.3	32.2	79.5
Czech Republic — Prague Ruzyne	15.9	-2.8	15.8	-3.0	16.0	-2.9	17.6	-1.3	18.0	-1.0	20.7	48.9
Hungary — Budapest Lorinc	17.1	-5.6	17.7	-5.0	18.2	-4.6	20.7	-2.1	21.9	-1.0	8.1	22.0
Serbia — Belgrade Surcin	18.2	-4.9	17.9	-5.2	19.3	-3.9	22.7	-0.5	24.3	1.0	2.7	23.1
Romania — Bucharest Imh	20.8	-2.0	20.8	-2.1	21.6	-1.3	23.7	0.7	25.8	2.7	2.0	17.7
Spain — Madrid Barajas	28.6	3.0	26.9	1.3	24.9	-0.8	25.9	0.2	27.8	2.0	0.4	0.8

**normal means cleaned 10-year average (2016-2025 inclusive)*

— Ensemble forecasts (12.00 GMT) provided by Speedwell Weather



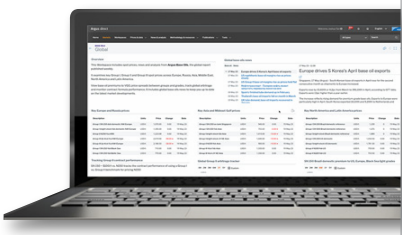
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Data & Downloads Available

The Argus Biomass Markets features downloadable market data published in spreadsheet format, available only in Argus Direct.

Downloads include:
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› NE Asian Biomass power plants
› European biomass power plants
› South Korean wood pellet tenders
› International wood pellet trade data
› North American wood pellet export plants
› Baltic, Russian and Iberian wood pellet export plants

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NEWS

CM Biomass earnings down after 'challenging' year

Global biomass producer and trading firm Copenhagen Merchants Biomass (CM Biomass) earned far less before taxes in its last financial year than in 2023-24, despite having sold more supply, company results published today show.

CM Biomass reported €777mn in revenue and €14.5mn in earnings before taxes in May 2024-April 2025, down from €835mn in revenue and €41mn in pre-tax profits a year earlier.

This downturn occurred despite the firm having sold 3.7mn t of biomass in its last financial year, which was slightly higher than the 3.6mn t sold in its 2023-24 financial year.

"Market conditions for the biomass industry have been challenging," CM Biomass said, citing "low trading prices and significant uncertainty in the global biomass industry".

But the market is showing "signs of stabilisation" and European politics are increasingly focused on the "green transition", the company said.

CM Biomass has 1.4mn t/yr of wood pellet production capacity across 11 plants, most of which are located in the US, the company said in January.

Argus' cif northwest Europe (NWE) spot pellet price assessment averaged $177.41/t in May 2024-April 2025, down from $186.54/t a year earlier.

By Jeff Kuntz

Nordic 1Q wood pellet imports inch down

Wood pellet imports across Europe's Nordic region in January-March were slightly lower on the year as weaker demand for external supply in Sweden and Norway more than offset large gains in Denmark and Finland.

Nordic imports totalled 660,000t in the first quarter, down from 680,000t a year earlier and holding well below the 1mn t average for that period in 2021-23, customs data show (*see tables*).

Sweden and Norway imported significantly fewer pellets in January-March than a year earlier, possibly because of end users drawing on existing stocks to meet consumption, while combined pellet imports in Denmark and Finland rose by 72,000t.

Danish receipts of 457,000t made up 69pc of all Nordic pellet imports in the first quarter and up from 432,000t a year earlier, supported by Danish pellet-fired generation rising to an hourly average of 678MW from 638MWh.

Denmark imported more supply from Brazil, Sweden and the Baltic region, but less from the US, although that country still constituted over half of all Danish imports despite ongoing uncertainties regarding the effects of US tariffs.

Sweden remained Denmark's second-largest supplier in January-March with 44,000t, likely because of competitively-priced volumes from local producers. Danish end users also sourced larger quantities from the Baltics than a year earlier.

In Finland, wood pellet receipts totalled 103,000t in the

Denmark, Finland wood pellet imports, January-March *000t*

	2025	2024	y-o-y change	2021-23 average	2025 vs 2021-23 av
Denmark					
US	248.5	291.9	-43.4	142.4	106.1
Brazil	26.7	3.6	23.1	0.0	26.7
Sweden	43.5	28.0	15.5	55.4	-11.9
Estonia	29.8	18.7	11.1	255.0	-225.1
Canada	28.1	31.6	-3.5	19.0	9.1
Latvia	27.9	7.2	20.7	173.0	-145.0
Total	456.8	431.5	25.3	813.4	-356.6
Finland					
Estonia	62.3	36.0	26.4	15.6	46.8
US	14.0	0.0	14.0	0.1	13.9
Denmark	13.0	5.8	7.2	4.7	8.3
Lithuania	12.3	8.0	4.3	3.8	8.5
Total	103.3	56.2	47.1	53.8	49.5

Customs data

Sweden, Norway wood pellet imports, January-March *000t*

	2025	2024	y-o-y change	2021-23 average	2025 vs 2021-23 av
Sweden					
Estonia	13.8	44.3	-30.4	73.0	-59.2
Latvia	38.6	39.3	-0.7	13.1	25.5
Denmark	17.5	13.4	4.1	1.1	16.3
Germany	0.0	10.4	-10.4	3.4	-3.4
Canada	0.0	44.5	-44.5	0.0	0.0
Total	76.7	156.9	-80.2	102.0	-25.4
Norway					
Estonia	8.6	8.6	0.0	2.9	5.7
Sweden	9.9	13.9	-4.0	15.2	-5.3
Latvia	4.8	0.0	4.8	2.2	2.6
Denmark	0.0	6.6	-6.5	8.9	-8.8
Total	23.4	35.5	-12.1	31.1	-7.7

Customs data

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first quarter, up from roughly 56,000t imported in January-March 2024, bolstered by quicker imports from Estonia and the US.

By Marta Imarisio

EEA shortlists six forestry biomass technologies

The European Environment Agency (EEA) has shortlisted six technologies using forestry byproducts, residues from the pulp and paper industry and other bio-based materials for analysis, while the EU updates its bio-economy strategy.

The EEA recommended repurposing forestry residues to create bio-based products, while reducing waste from forestry operations. The agency also suggests studying eight technologies using agricultural biomass derived from residues or waste such as bagasse, husk, stover, stubble and processed food waste, as well as methods of deriving biomass from marine algae, industrial and municipal waste.

The forestry sector — which involves logging, harvesting and processing, and construction — accounts for more than 40pc of the total demand on forests in the EU's 27 member states, Iceland, Liechtenstein, Norway, Switzerland and Turkey.

The EU's bio-economy strategy aims to encourage reusing domestic biomass to reduce Europe's dependency on imported resources from countries with a "high environmental impact," such as China, Russia and Brazil.

The EU plans to update its bio-economy strategy this year to better align with European initiatives, make the EU more competitive and secure stable biomass supply from both within and outside the bloc, the EEA said.

By Hannah Adler

New Swedish CHP to come on line 2028

Swedish energy company Kraftringen Energi's planned new biomass-fired combined heat and power (CHP) plant in Ortofta, Sweden, is due to start producing steam and electricity in 2028.

Kraftringen Energi will start building the new 25MW CHP plant in June 2026 to replace older heat pumps, next to an existing biomass-fired 35MW CHP that was installed at Ortofta in 2014.

Both plants will burn forestry and sawmill residues, along with recycled waste wood, Kraftringer has said.

Finnish technology firm Valmet will provide the boiler and flue gas handling equipment for the project.

The new CHP will be built to enable integration of carbon capture technology at some point in the future.

The project will be the largest investment in energy production in the southern Swedish county of Skane in the past decade, Valmet said.

By Hannah Adler

German plant to sequester up to 200,000t CO2/yr

Developers of a biomass plant in northern Germany aim to sequester up to 200,000t CO2/yr, given the "right framework conditions", as the country is in the process of passing legislation to support carbon capture and storage (CCS) and negative emissions.

Developer HanseKraft told *Argus* it is working on a feasibility study — together with a potential off-taker — to sequester 200,000t CO2/yr from the biomass plant, construction on which is due to begin this autumn at the port town of Stade. The CO2 would be transported away by pipeline and ship to be stored, generating negative emissions in the process.

The plans presuppose "appropriate political and regulatory framework conditions", HanseKraft said.

The biomass plant will run on some 500,000 t/yr of waste wood, and generate 300GWh of power and 150GWh of heat, along with 1.2TWh of process steam for local industry.

The permit application already includes a smaller CO2 capture unit for 10,000 t/yr, to be operational when the plant is commissioned. HanseKraft is in talks with a potential regional off-taker for half of this biogenic carbon, while the other half will be made available for "other regional or supra-regional applications".

The waste wood will be sourced from Germany and abroad and shipped to the port of Stade-Buetzfleth.

Stade council last week gave its assent to the project, giving the investor "planning security" while "speeding up the approval process", Stade mayor Soenke Hartlef said.

Germany is in the process of finalising an amended carbon storage law that would allow the capture and transport of CO2 in the country, along with its storage in the North Sea or onshore, if the federal state in question agrees. The bill would also allow existing natural gas pipelines to be converted for carbon transportation without the need for new planning and approval procedures.

The draft law, which will go before parliament once the government agrees a final version, is expected to be passed in early autumn.

And Germany's 2025 budget — belatedly under scrutiny in parliament after the previous government was unable to pass it — proposes some support for generating negative emissions. The draft budget, expected to be passed in September, includes financial commitments for the following years.

The draft suggests Germany will start purchasing negative emissions credits next year, with the aim to "strengthen the voluntary market for negative emissions".

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It commits €1.8mn for both 2026 and 2027, and €1.15mn for 2028. Funding will be available for CCS projects to promote negative emissions technologies, including through improved framework conditions for negative emissions and investment in the negative emissions market.

Stade's new plant will help the town decarbonise its energy supply while also "strengthening the industry location" and providing another alternative for the "climate-friendly heat supply of our homes", Hartlef said.
By Chloe Jardine

Soderenergi moves toward CDR credit sale

Swedish utility Soderenergi has signed a letter of intent with real estate firm Fabege for the sale of CO2 removal (CDR) credits from its Igelsta combined heat and power (CHP) plant in the eastern Swedish city of Sodertalje.

Soderenergi aims to capture and store up to 500,000 t/yr of biogenic CO2 starting from 2030 from Igelsta, which produces about 2.5 TWh/yr (285MW) of heat and 550 GWh/yr (63MW) of power, Soderenergi told *Argus* on 3 July.

The utility plans to start selling CDR credits to Fabege once a new biogenic carbon capture and storage (bio-CCS) project at Igelsta is commissioned.

That bio-CCS facility is still being designed and Soderenergi hopes to reach a final investment decision and begin commissioning in 2026.

The project received 12.5mn Swedish kronor (€1.07mn) of funding from the Swedish Energy Agency in 2023.

Igelsta burns around 1mn t/yr of biomass, of which 60pc is recycled wood, 30pc is forest residues and 10pc is solid fuel recovered from waste, Soderenergi told *Argus*.
By Marta Imarisio

Italy launches second biogas, biomass tender

Energy agency GSE has opened Italy's second tender for biogas and biomass-fired plants, as well as a first floating solar photovoltaic (FPV) tender for plants on inland waters, both to be held on 9 July-5 September.

The GSE will offer 8.9MW for biogas and biomass-fired plants and 50MW for FPV under its Fer2 incentive scheme. Italy's energy ministry already allocated 6MW of the 10MW available in the first tender for biomass and biogas-fired plants held earlier this year.

FPV projects face no capacity restrictions to qualify for Fer2. On the other hand, biogas-fired plants must have a capacity of 1-300kW, while biomass-fired plants can range up to 1MW. Winning FPV projects must be operational within 51 months of the tender award, while biogas and biomass projects have up to 31 months.

Fer2 is designed to accelerate Italy's energy transition by streamlining renewable project approvals, focusing on non-mature technologies with high operating costs.

Italy's bioenergy capacity stood at 4GW on 31 May, while overall renewable capacity stood at 79.2GW.
By Ilenia Reale

Natural State Renewables pursues biomass-based SAF

US-based sustainable aviation fuel (SAF) firm Natural State Renewables has partnered with French engineering company Axens to help expand its presence in the US and UK, the companies said this week.

Natural State Renewables plans to make "carbon-negative" SAF from pre-commercial thinnings and other surplus forest biomass using a process developed by Axens, TotalEnergies, technology firm Thyssenkrupp and others.

The US will serve as the "backbone" of the company's production, which will be powered by biomass boilers and equipped to capture CO2 emissions, Natural State Renewables said.

The company is considering developing sites in southern Arkansas and northern Louisiana. It aims to make a final investment decision in late 2025 or early 2026, with a view to exporting fuel mainly to the UK and EU, Natural State



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Renewables vice-president Michael Newton has said.

The US state of Arkansas in April approved a law allowing qualifying companies that make SAF using waste wood to claim an income tax credit equal to 30pc of the cost of production and processing equipment.

By Jeff Kuntz

Japanese biomass buyers request more lab tests

Japanese utilities are requesting biomass traders and suppliers to agree to additional lab tests once cargoes arrive in Japan, according to several market sources.

Biomass end-users are concerned about potential significant discrepancies in the specifications of biomass — including palm kernel shells and wood pellets — from lab tests conducted at the port of origin and when the cargoes are delivered to Japan.

This would mean an additional lab test beyond the typical certificate of analysis (COA) attained at the cargo's origin.

End-users are concerned that specifications including calorific value and moisture of PKS cargoes exceed tolerance levels agreed in contracts. Several PKS suppliers and shippers in Indonesia have not agreed to such requests because it means additional risks after the cargoes have left the loading ports.

PKS suppliers do not have control of cargoes beyond the loading ports. Specifications may vary if the shipments are not handled properly or are exposed to bad weather and environmental conditions.

The cost of penalties for discrepancies varies according to the contracts. A difference of 1pc in moisture level could incur a penalty of 1pc of the selling price of the cargo, according to a trader based in Jakarta. Cargoes could be shipped back if specifications deviate significantly from the agreed requirements, the trader said.

At least one PKS supplier said it would consider bearing part of the testing costs at the discharge port if such requirements become the norm. Another PKS supplier said that all tests may eventually be done at discharge ports instead of loading ports. But this could make payment processes more complicated for deals done on a fob basis.

Wood pellet suppliers in Vietnam are also reluctant to agree to additional lab tests at discharge ports. Japanese end-users have been requesting a partial COA to test for sodium and potassium levels at discharge ports in addition to an existing full test done at the loading port. Excessive levels of sodium and potassium released from biomass combustion could cause corrosion and damage to boilers.

This comes after operators of biomass-fired power plants in Japan expressed concerns over discrepancies in the quality of imported biomass shipments.

A power plant operator said that it received wood pellet shipments with excessive fines, which may cause dust explosions. The company also received wood pellets and PKS that contained foreign materials like metals and stones, it said.

By Nadhir Mokhtar

Japan's 75MW Sodegaura biomass-fired plant starts

The 75MW Sodegaura biomass-fired power plant started commercial operations on 8 July, after it was delayed from coming on line because of a silo fire in January 2023.

The plant in eastern Japan's Chiba prefecture is operated by Japanese gas company Osaka Gas' subsidiary Daigas Gas and Power Solution, and burns around 300,000 t/yr of wood pellets, mainly imported from southeast Asia. It is designed to generate up to 520GWh/yr of electricity, which will be sold under Japan's feed-in-tariff (FiT) scheme at ¥24/kWh (16¢/kWh).

The plant was previously scheduled to come on line in February 2023, but the start-up was delayed by a fire in January that year. The fire happened during test runs at the plant, and the cause was likely the self-heating of wood pellets stored for more than six months in two silos.

Osaka Gas only managed to put the fire out completely in May 2023, and finished removing all remaining wood pellets from the silos in April 2024, as the pellets had absorbed sprayed water and swelled. The company has put in place safety measures after the incident.

Osaka Gas also operates the 75MW Hirohata biomass-fired power plant in Japan. The company also plans to start commercial operations at the 50MW Gobo plant in September this year.

By Takeshi Maeda

Vietnam mulls updates to biomass power prices

The Vietnamese government is encouraging power plant companies to submit relevant data to propose reviews to the country's biomass electricity price framework.

The country on 4 July held a meeting with Japanese renewable energy developer Erex to discuss upcoming biomass power development projects. Erex presented proposals regarding the biomass electricity price framework, and exchange rate adjustments in electricity purchase and sale contracts at the meeting.

Vietnam's current price framework is calculated based on several factors including the competitiveness of biomass-fired power compared to other renewable energy, electricity selling and purchasing prices and other data collected from

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biomass electricity projects including those run by Erex, said Vietnam's deputy prime minister Nguyen Chi Dung.

The current policy of adjusting exchange rates in electricity purchase contracts is applied at a limited level and must comply with current regulations under Vietnamese law, said the deputy prime minister.

Nguyen requested Erex to provide biomass power plant project data to state-owned utility EVN to be used as a basis to propose updates to the country's power generation price framework. This should include completed feasibility study reports of Erex's 50MW Yen Bai and 50MW Tuyen Quang biomass power plant projects, Nguyen said.

Both these plants are scheduled to come on line in mid-2027.The plants are expected to burn around 500,000 t/yr of wood residue secured in northern Vietnam.

The Vietnamese government is encouraging more Japanese firms to increase investment in biomass energy technology, it said. This is to help Vietnam achieve 2.27GW of installed biomass and waste-to-energy capacity by 2030.

The company is expanding its renewable energy business in Vietnam and southeast Asia. In addition to co-firing projects, the company aims to operate a total of 19 biomass-fired power plants in Vietnam. The firm also plans to build up to five biomass-fired power plants in Cambodia.

Erex will begin co-firing test runs in Vietnam at its 110MW Na Duong plant in August and the 115MW Cao Ngan plant in September.

By Nadhir Mokhtar

Australia's Licella aims for SAF project FID in 2026

Australian technology developer Licella is aiming for a final investment design (FID) in the second half of 2026 for its proposed 60mn litres/yr (l/yr) biorefinery at the Isis sugar mill, 265km north of Queensland's state capital Brisbane.

Project Swift has engaged contractors for engineering and site investigations after winning an A$8mn ($5.3mn) federal grant last year, a process expected to take 18-24 months and including detailed initial engineering ahead of an FID.

The firm plans to use its own its Cat-HTR hydrothermal liquefaction technology for turning sugarcane waste, known as bagasse, into about 40mn l/yr of sustainable aviation fuel and other products.

Licella has welcomed the Queensland government's recent announcement of a parliamentary inquiry into using sugarcane products for biofuel projects, saying clear, enabling policy will be needed to bring investment and opportunity to the state at scale.

Queensland's biofuel output is largely produced by Singapore-listed Wilmar's Sarina biorefinery, which can make 60mn l/yr of ethanol using about 220,000 t/yr of molasses from the region's sugar mills. About two thirds of this is used in vehicle fuel, Wilmar has said.

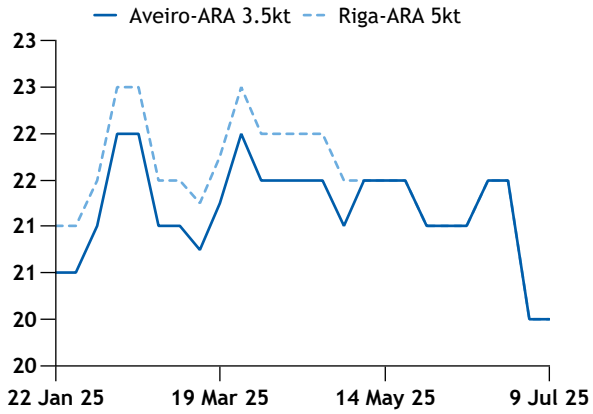
By Tom Major



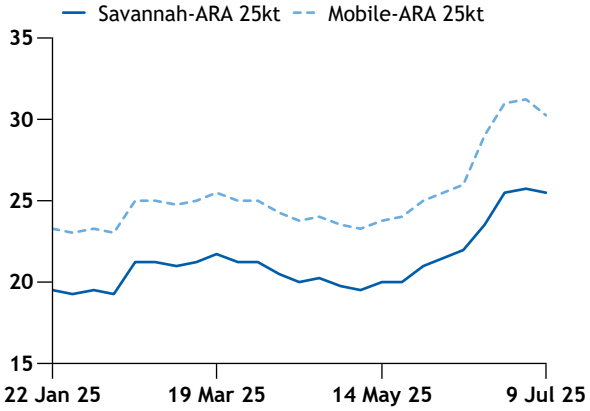
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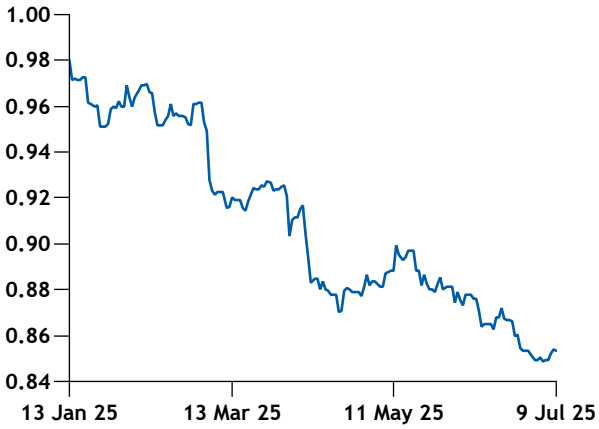
Wood pellet freight, coaster size €/t



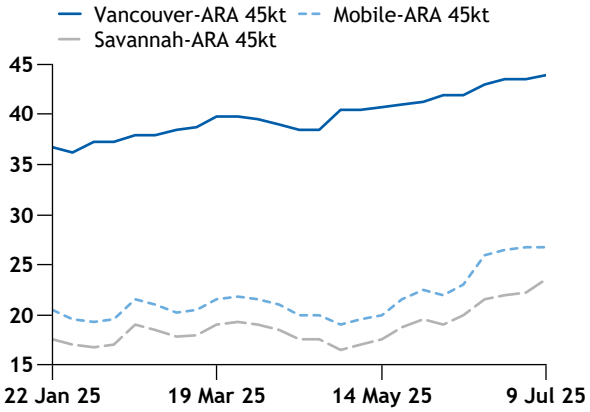
Trans-Atlantic wood pellet freight rates 25,000t $/t



$:€ exchange rate



Trans-Atlantic wood pellet freight rates 45,000t $/t



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Registered office
Lacon House, 84 Theobald's Road,
London, WC1X 8NL
Tel: +44 20 7780 4200

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Publisher
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Global compliance officer
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President, Expansion Sectors
Christopher Flook

Global head of editorial
Neil Fleming

Editor in chief
Jim Washer

Managing editor
Andrew Bonnington

Editor
Erisa Senerdem
Tel: +44 20 7952 7850
biomass@argusmedia.com

Customer support and sales:
support@argusmedia.com
sales@argusmedia.com

London, Tel: +44 20 7780 4200
Houston, Tel:+1 713 968 0000
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