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Wood pellets in the US are produced from sustainable low-grade wood fiber harvested only from working forests that are regrown. Wood for pellets is never taken from forests that will be converted to non-forest use. Importantly, US producers of wood pellets do not drive clear cut harvests -- the decision to harvest a forest is made by the landowner based on their ability to sell higher value wood fiber to higher value industries such as lumber for housing or furniture. Wood pellet producers use only the low-grade wood fiber that is a byproduct of those industries (i.e. Tops and limbs, residues, pulp and crooked or diseased trees).

According to the US Forest Service Forest Inventory and Analysis (FIA) data, US forest inventory has increased since 1950 and carbon stocks in US forests are stable or increasing. The biggest threat to US forest cover is urban sprawl and commercial development, not forest products industries. In fact, working forests that are grown and harvested for forest products actually help prevent conversion by providing an incentive for forest owners to keep their lands forested and sustainably maintained.

In a recent letter from former US Secretary of Agriculture Tom Vilsack to Rt. Honorable Amber Rudd, MP, former UK Secretary of State for Energy, he supported the role that bioenergy markets can play in sustainable forestry saying, "independent analysis undertaken on this issue has consistently shown that demand for wood pellets promotes US forest growth and reduces risks to US forests."

Demand for wood for wood pellets remains small within the expansive forest products industry in the US. In 2014, wood fiber for pellet exports represented less than 0.08 percent of total forest inventory and just 3 percent of total forest removals across the US South, according to a Forest2Market analysis of the industry. Even considering future demand increases brought on by the Netherlands market and recently announced projects in the UK, the Forest2Market analysis still found pellet exports to be less than 0.1 percent of total forest inventory.

Markets in Europe that are importing US-produced wood pellets for energy require strict adherence to sustainable fiber sourcing and chain of custody regulations and have extensive greenhouse gas reporting requirements. These regulations require emissions reporting from sourcing, production, and transport of wood energy. To comply with these regulations, US wood energy producers must be able to demonstrate significant reduction in carbon emissions when compared with fossil fuel use. To further demonstrate sustainable practices, US wood energy manufacturers hold sourcing and chain of custody certifications from FSC, SFI, PEFC, and others. These certifications are independently audited by third-party verifiers on a regular basis.

Wood pellets are also a baseload fuel that can balance the grid alongside intermittent renewable energy sources like solar and wind energy and can provide consistent, on-demand power, eliminating or reducing

the need to burn coal for this purpose. Because the wood fiber for pellets is lower-value and because of the efficient supply chains that have been developed by US producers, pellets are also affordable, keeping costs low and stable for energy consumers.

In short, US-produced wood pellets are a key component of mitigating climate change and removing coal and other harmful fossil fuels from the energy system. US wood pellet producers look forward to continuing to provide markets around the world with this low-carbon, low-cost renewable fuel and continuing these important trade relationships across the Atlantic.