



## Wood Chip & Residuals Markets - PNW

Mapping the Course – WFCA  
May 2026

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Roseburg Forest Products



# History Of The Site

Roseburg Forest Products owns and operates one of the largest and most efficient “bulk and break-bulk” cargo handling terminals in North America. Located at the port of Coos Bay, OR it was built in 1968 to export softwood and hardwood chips to Japan.



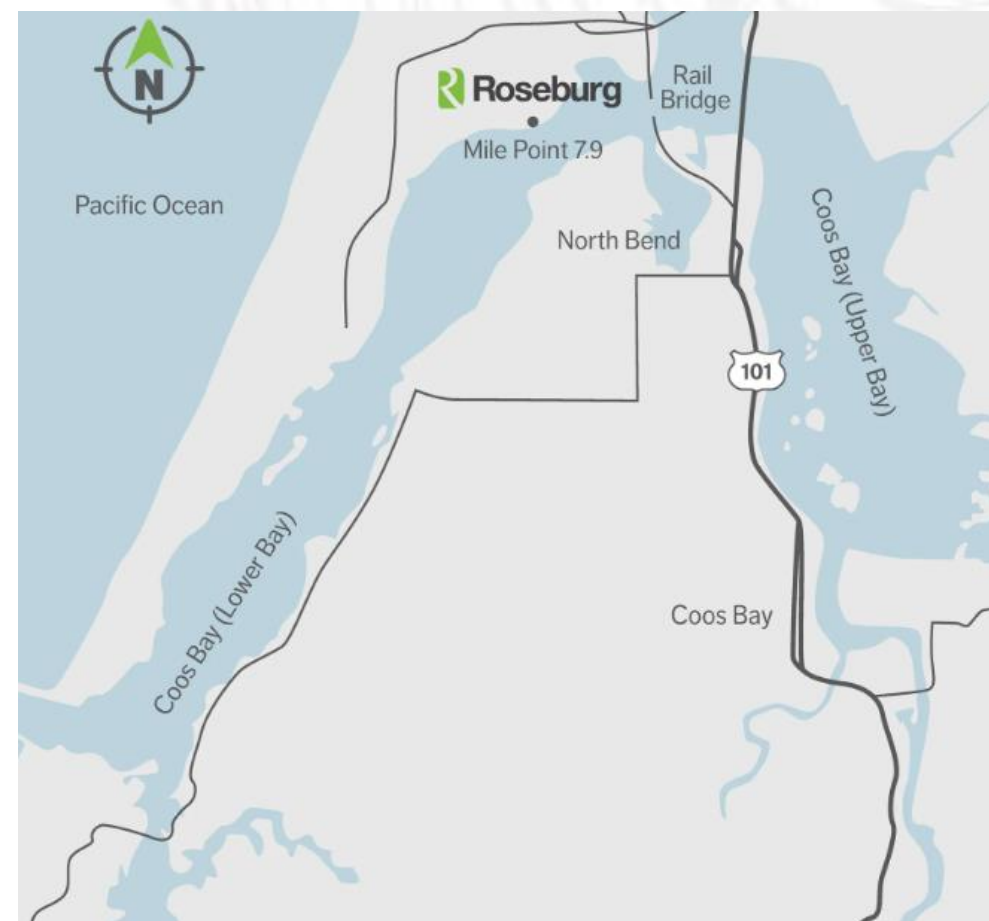
Although the main use for the dock is the loading of export wood chips, Roseburg has the potential to load and unload virtually any bulk vessel. Bulk product is loaded pneumatically for higher compaction rates. Break-bulk cargo such as barrels, bags, pallets, or other cargo would be handled primarily by crane. Other specialized loading/unloading services can be customized.



# General Information

## Logistics:

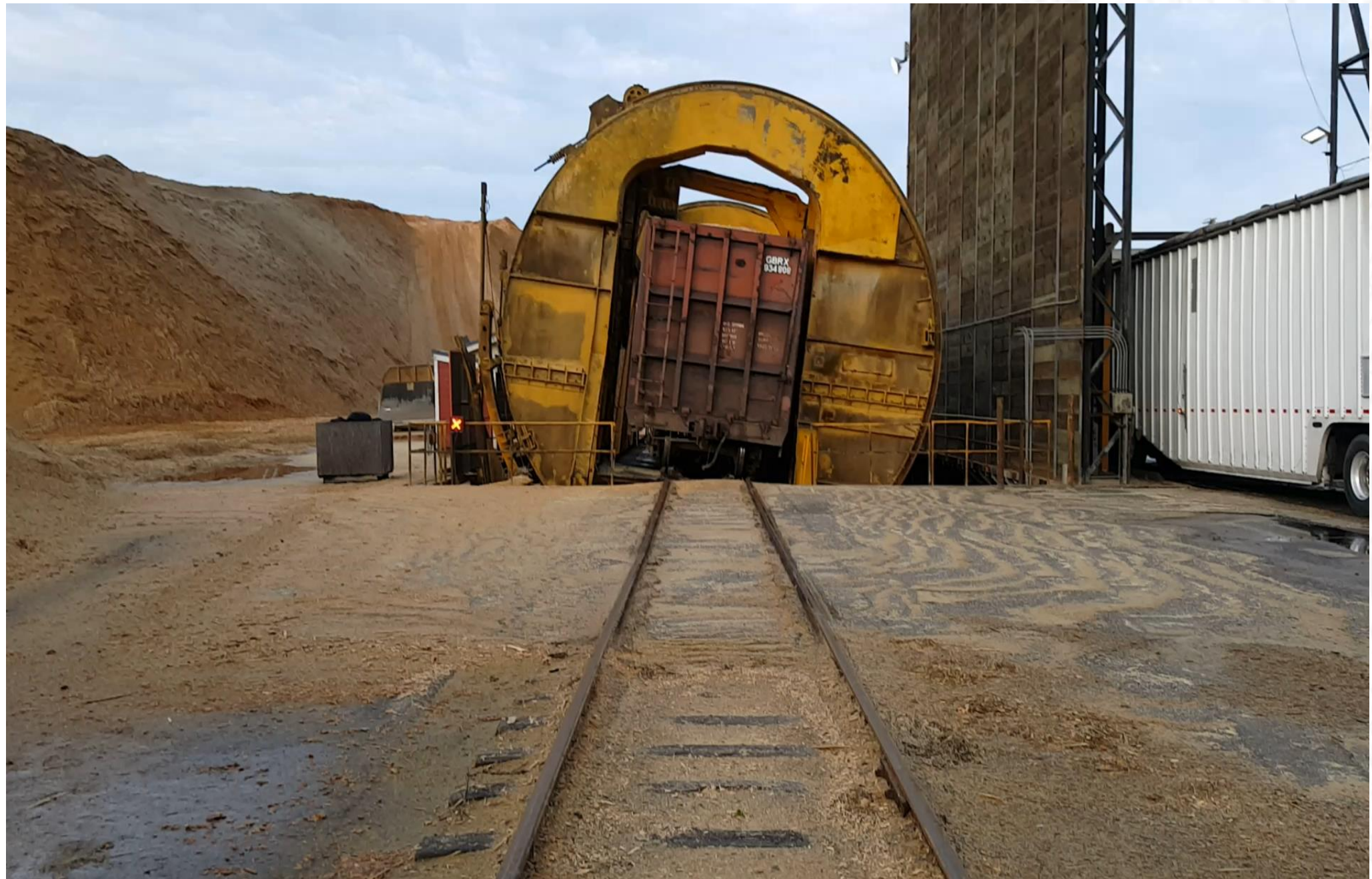
- 213 +/- Acres
- Channel position 7.9 miles
- 3 Truck dumps
- 1 rail dump
- 28 Personnel
- 24/7 Operations
- Berth depth to -42 feet MLLW
- Loading rate avg 115,000 Cu Ft per hour
- 12 Chip Reclaimers



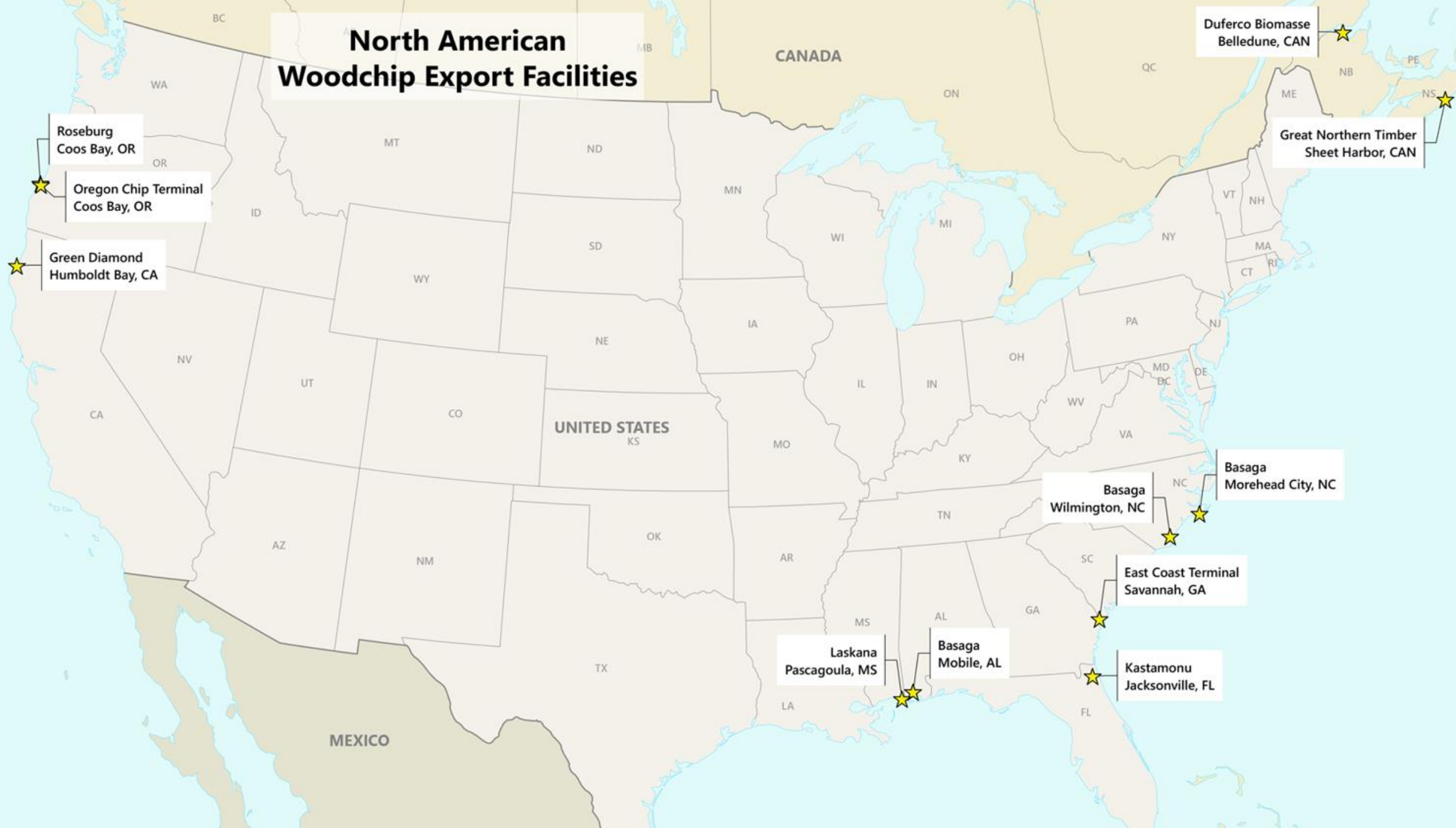
## Capacity:

- 25+ Acres of paved storage for chips
- 12 different pile locations
- 3 specie groups for customers
- 300,000 BDU inventory potential (16 Vessels)
- Largest/Fastest chip loading facility in U.S.
- Vessel size to 4.8 million Cu Feet





# North American Woodchip Export Facilities



# US West

## Woodchip Export Facilities

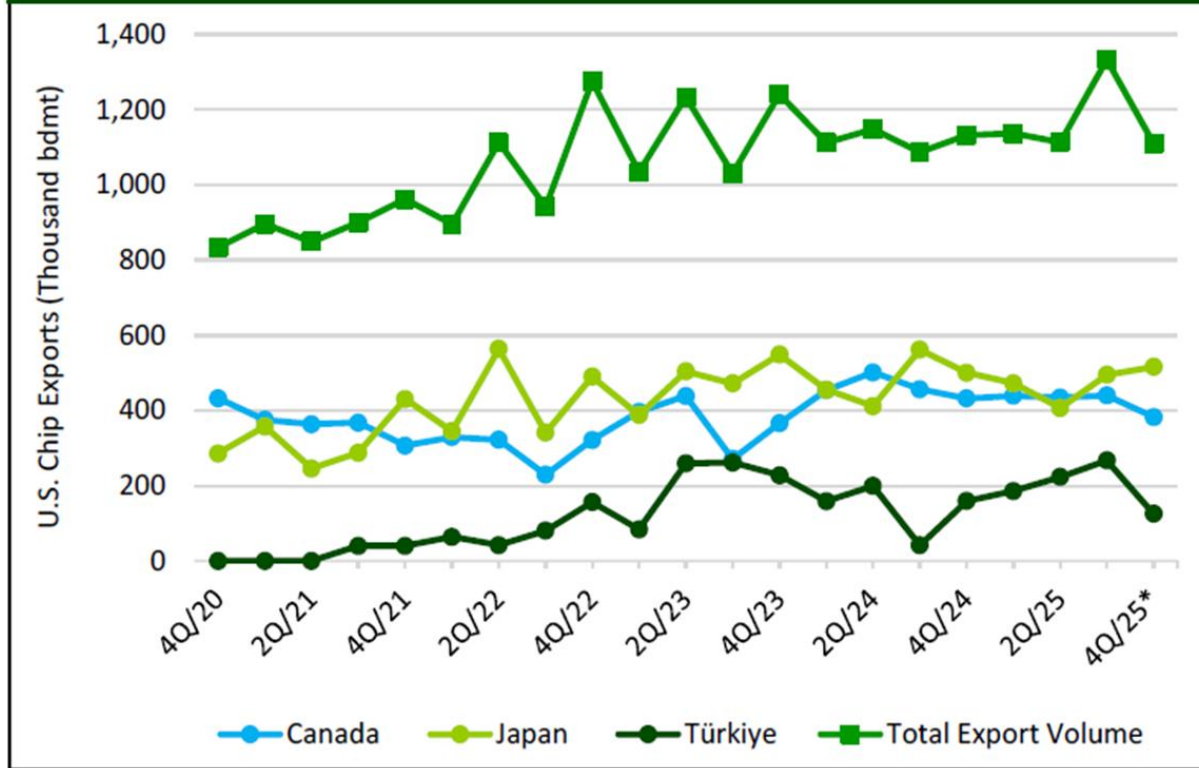
- **Roseburg Forest Products**
  - Coos Bay, OR, USA
  - 650 MBDT Avg
  - Apx 1/3 for biomass
- **Oregon Chip Terminal**
  - Coos Bay, OR, USA
  - 275 MBDT Avg
- **Green Diamond**
  - Humboldt Bay, CA, USA
  - 175 MBDT Avg
- Primary Species is Douglas fir
- 85 - 90% from sawmill residuals



- Chip exports from the US in Q425 were on track to drop 2% lower than Q424. Estimates using data through November show exports to Japan up 3% year-over-year, and down 11% to Canada.
- Japan imported 4% more chips in Q4 than in in Q3, holding their position as the largest importer of U.S. chips.
- Japan held 40% of total U.S. chip export volume, while Canada held 35% in Q4.
- Canada’s chip imports from the U.S. declined 13% from Q3 levels, and we will see what the future balance will be after the Domtar Crofton mill closure in January
- Türkiye is now the third largest consumer of U.S. chip exports. Their imports are on pace to fall 44% this quarter but remain 17% of U.S. chip export volume through November.

Source – Forisk Wood Fiber Review

**Figure 39. U.S. Chip Exports by Top 3 Destinations**



Data Source: U.S. Census Bureau

\*Projected full Q4 shipments

Data through November 2025

# Wood Chips



The PNW has Softwood and hardwood chips. The softwood is comprised of Douglas fir, Western Hemlock, White fir, Pine, Redwood, and smaller amounts of Cedar and Spruce.

The hardwoods that are available include Tan Oak, Alder, Maple, Madrone, and various minor quantities of lesser species.

The chips are comprised of both residual chips and whole log chips. The residuals come from sawmills and plywood plants and the whole log chips come from small logs, thinning's and defective timber.

Moisture content of the chips will range from 45% to 55%, depending on the time of year.

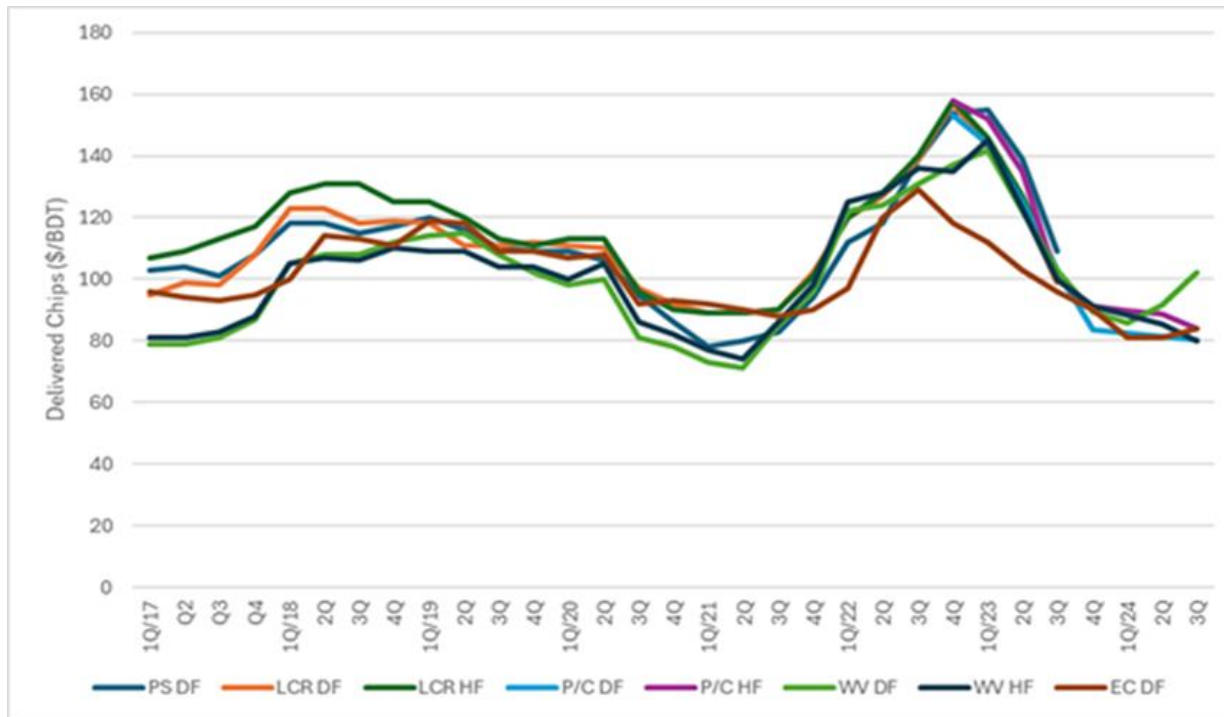
# A Brief History of Chip Markets

- In the last 20 years closures in the Pacific Northwest reduced fiber consumption by 5.4 million BDT's
- In 2020 there was an estimated 20% decline in the pulp and paper market. Closures of mills that make printer paper and newsprint reduced overall capacity. There was a shift to using more recycled fiber reduced virgin fiber consumption
- Residual chip supply grew as sawmills went into high gear to respond to record lumber markets. Chip exports to Japan & China dropped off as Covid surged. These factors combined to over-supply the domestic market, pushing prices down
- At the same time operating costs increased dramatically in all areas of the industry



# A Brief History of Chip Markets

- 2021 began a shift in demand and chip prices rose by 40% from 2020
- Export demand also increased in 2021 and initially residual chip volume was plentiful, that changed as domestic demand increased, and then changed again as lumber prices fell, & sawmill production fell reducing residual chips
- Whole log chip production increased to help meet demand
- Transportation was an issue throughout our industry especially for longer hauls
- Everything changed again in late 2022 into 2023 as export chip demand dropped quickly, mostly due to China backing out



# A Brief History of Chip Markets

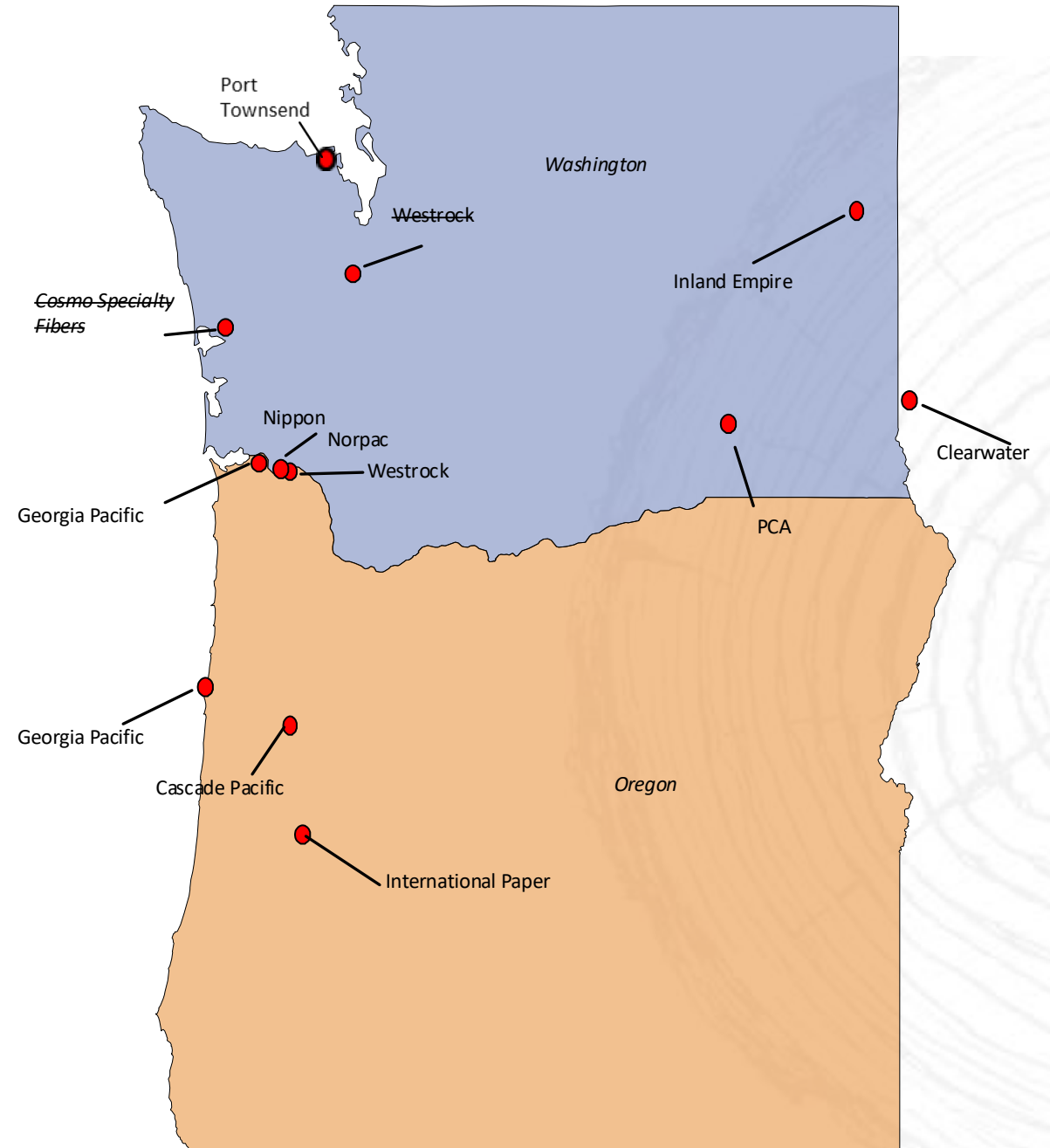
- The Cosmopolis and WestRock Tacoma mill closures negatively impacted the whole-log chip market
- The oversupply of residual chips caused the production of whole-log chips to slow to little more than a standstill
- Producers found some help in markets exporting chips to Canada
- As sawmill closures and curtailments continued into Q1 2024, the market demand for whole-log chips rebounded slightly from the lows in 2023 until recent changes once again reduced demand



# US West

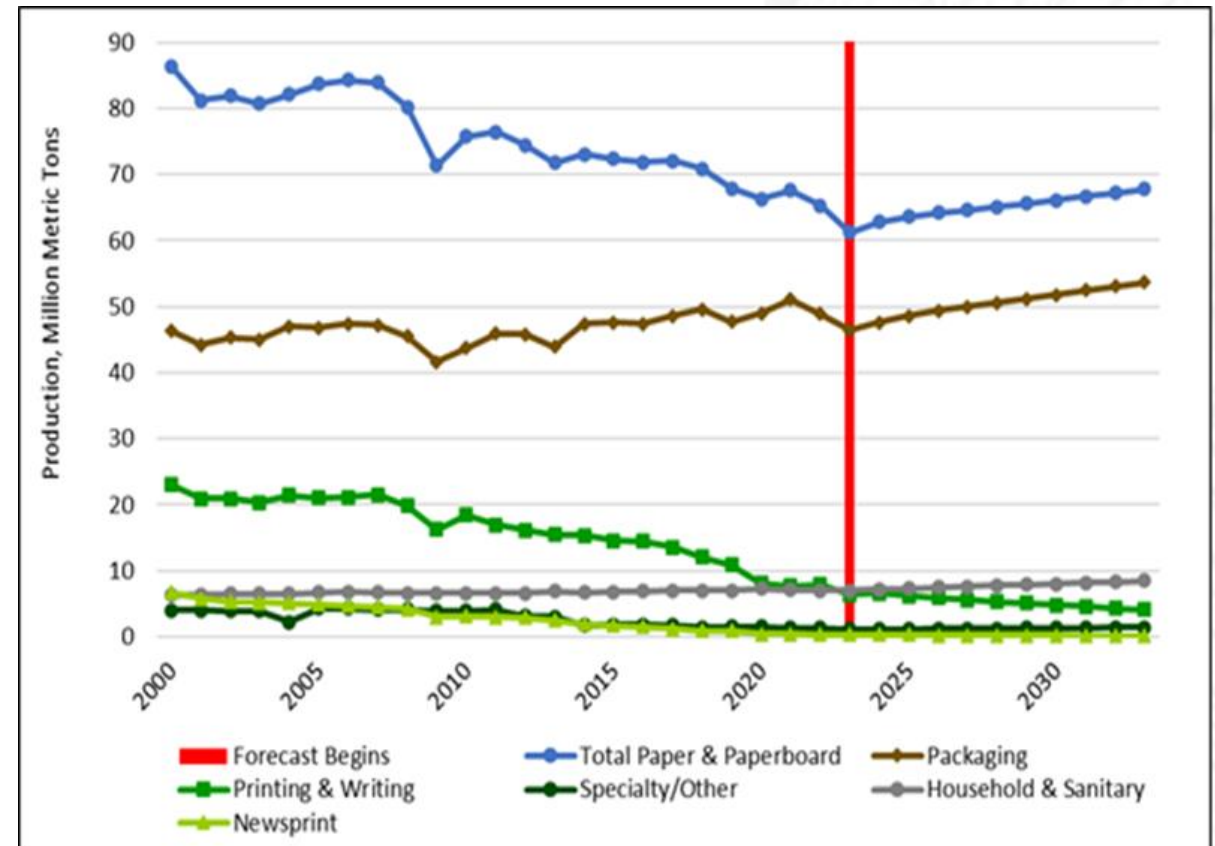
- 11 pulp mills are currently operating in the PNW, down from over 30 in the early 1990's  
(Westrock Tacoma closed in Sept of 2023, Cosmopolis in 2022)
- Three pulp mill closures in the last several years including Westrock Tacoma, Cosmopolis and Domtar Crofton in Canada, as well as PCA Wallula changing to 100% recycled fiber, have impacted many in the PNW, especially whole log chippers
- The demand for exported chips from the US to Canada has softened without the pull from Crofton, we will see in the coming months where this balances
- Chip demand remains stable for now as many facilities resumed normal operations after a slow holiday season
- There are some things on the horizon that could have an impact (besides Canada)
  - IP's purchase of Norpac – shift to more recycle?
  - Potential Weyerhaeuser strike?

Source Forisk Wood Fiber Review



# Pulp & Paper Markets

- This graph shows a breakdown of paper products, as most know we see a continued decline in printing and writing paper and newsprint
- Packaging has been flat to increasing, and is expected to grow in future years with more moves to paper product packaging

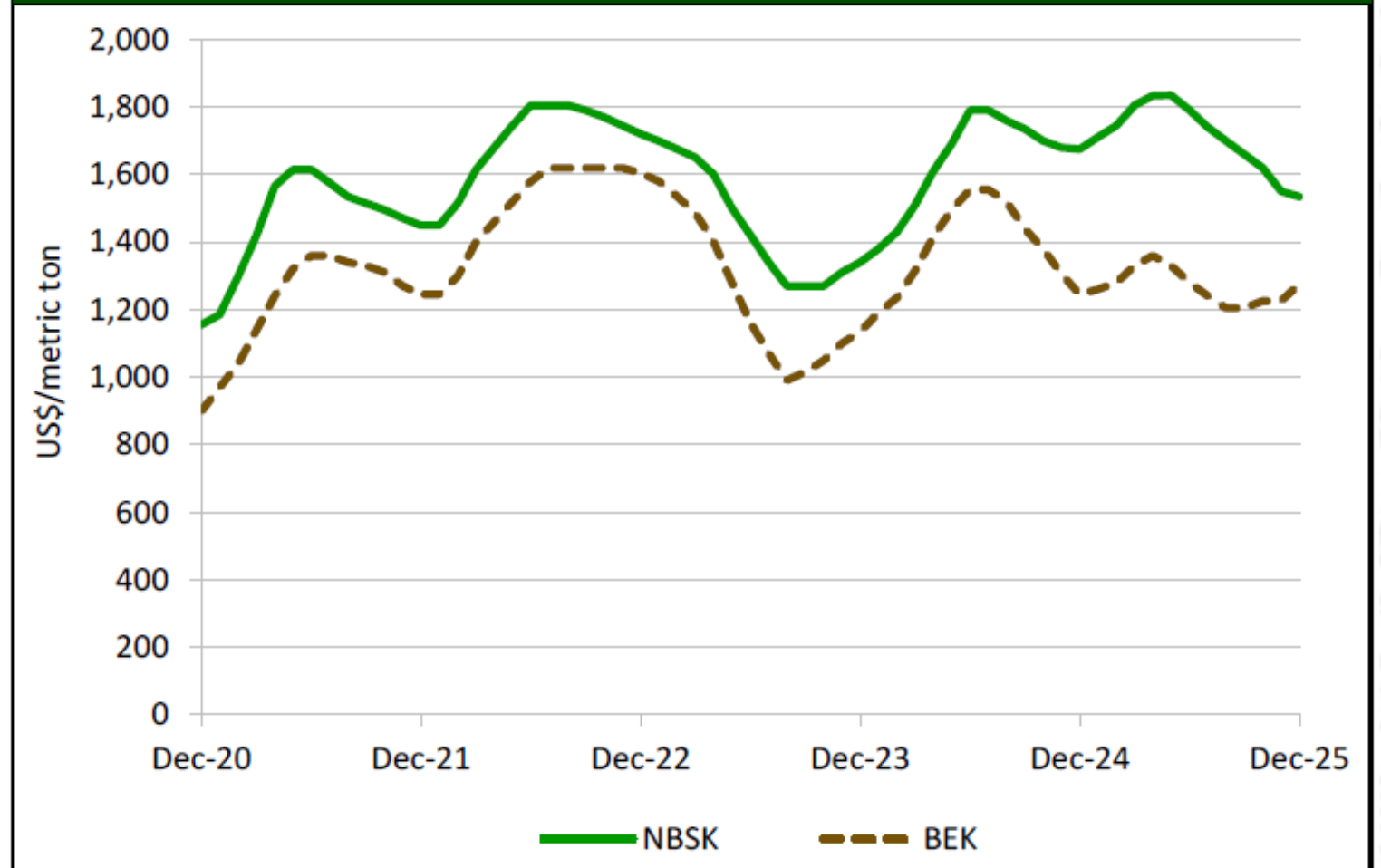


# Pulp & Paper Markets

- Market pulp prices in North America fell over 5% year-over-year
- Average quarterly prices from ERA were down 7.7% for northern bleached softwood kraft (NBSK) in Q4 and down 6.9% from Q4 2024.
- Average Q4 prices for bleached eucalyptus kraft (BEK) were up 2.1% from Q3 and down 5.2% from Q4 2024.

(Source: FORISK Wood Fiber Review)

## Figure 33. U.S. Market Pulp Prices

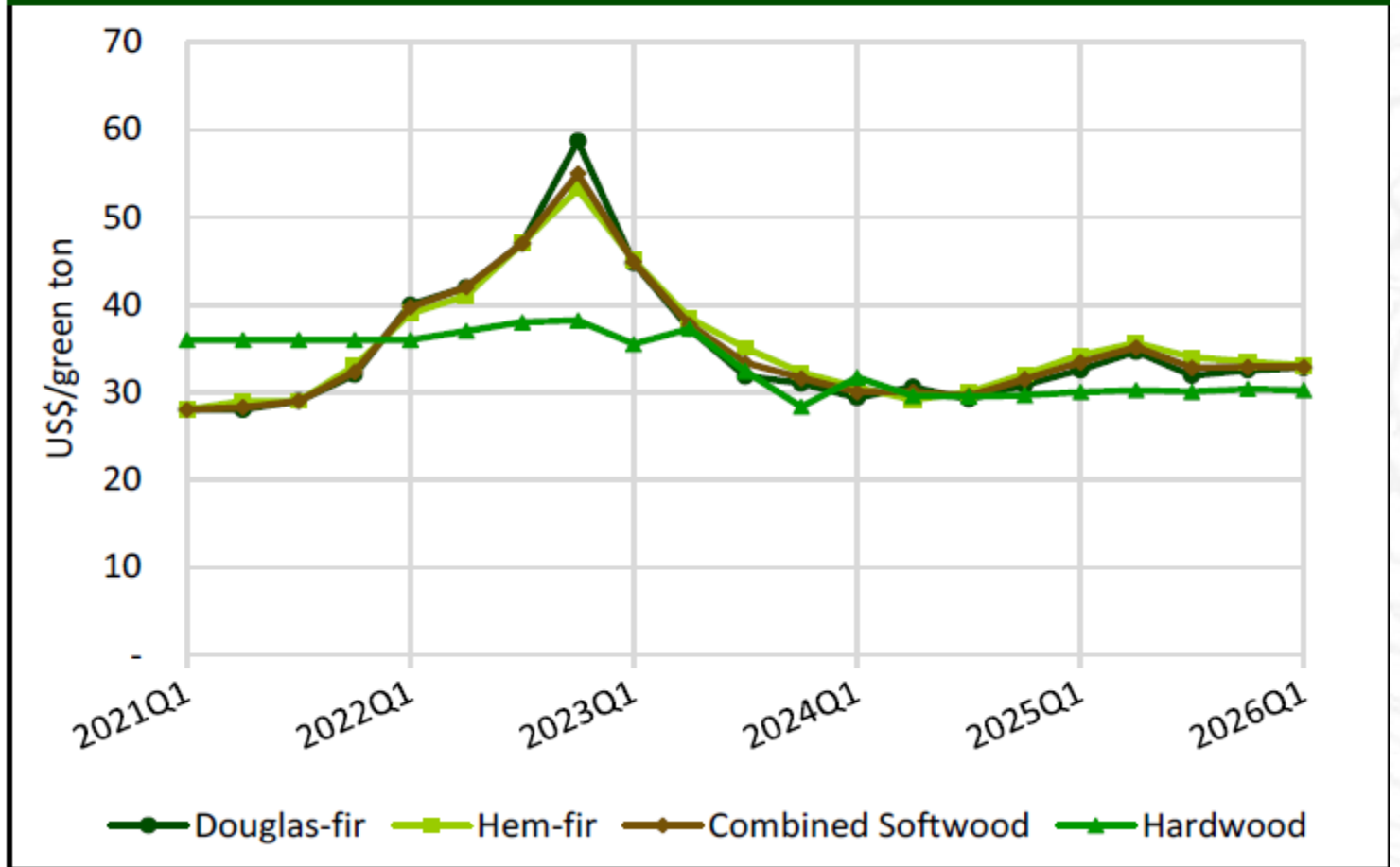


Data Sources: ERA & Recycling Markets

# Chip Demand - Pulp Logs

- Combined softwood pulplogs as a weighted average were flat in Q1 and down 2% year-over-year.
- Hardwood pulplog prices in the Northwest were flat for the quarter
- Many expect less demand pressure this year due to recent closures and curtailments, we will see where that goes as we go into Q2 and beyond

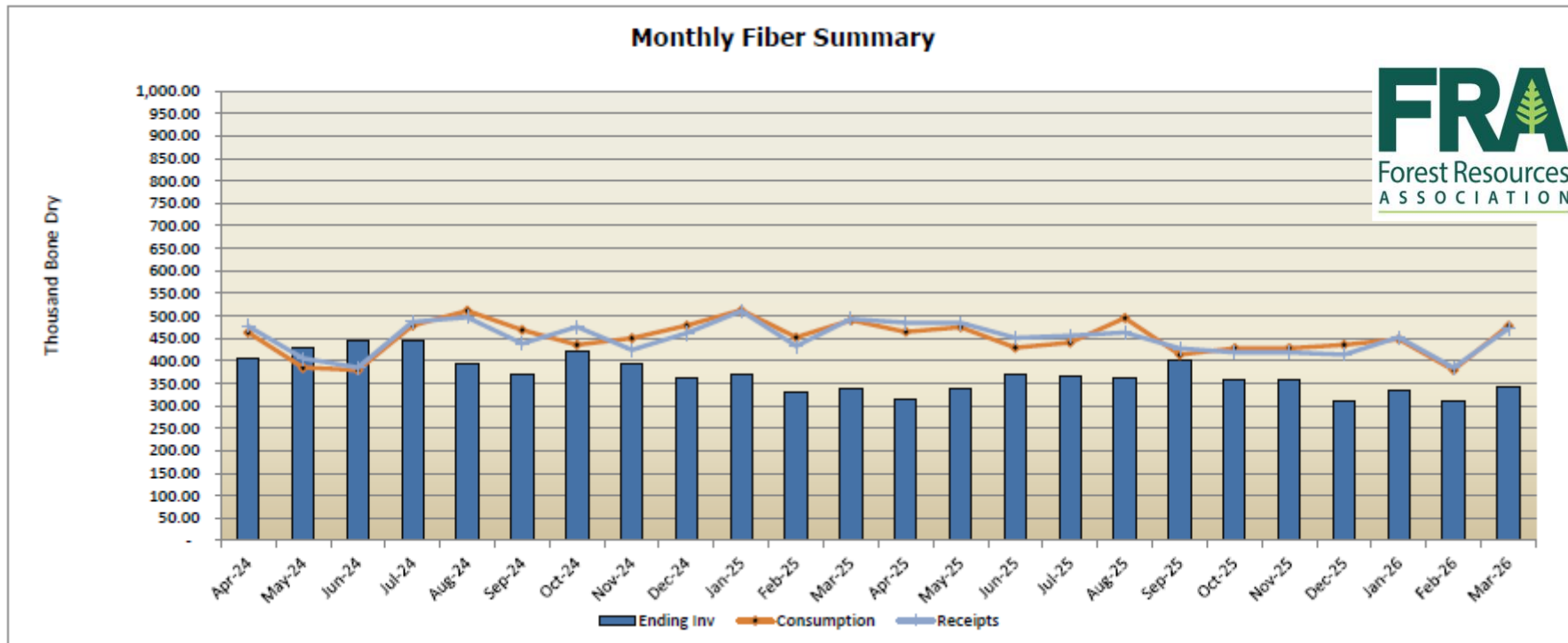
**Figure 4. U.S. Northwest Pulplog Prices and Q1 2026 Changes**



Data Source: *Forisk Wood Fiber Review*  
All prices in US\$/green ton (delivered)

## Western Region Monthly Fiber Summary March 2026

- From 2024 it has been a relatively flat chip market with receipts matching consumption. Inventory increased in late 2024, then came off for several months before bumping back up
- Sawmills and plywood plants have been producing more steadily in 2026 after extended downtime by some in 2025 around the holidays
- Canadian chip exports have had an impact here with reduced residual chip production in Canada. The coming months will show if this balance continues, or if supply grows in the US with less exports to Canada
- Exports to Japan have been relatively stable, and demand to China is still nowhere to be seen, it is unclear when that market will come back, 2027 at the earliest?



# Residuals – End Products

Other Residuals include bark, sawdust, shavings and Ply trim, which all need a home, which can be challenging at times

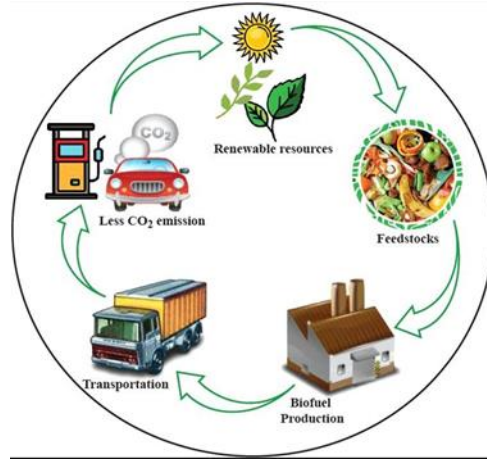
Much of the sawdust and shavings goes into particle board and MDF panels, as well as pellets

Bark goes into landscape material and hog fuel



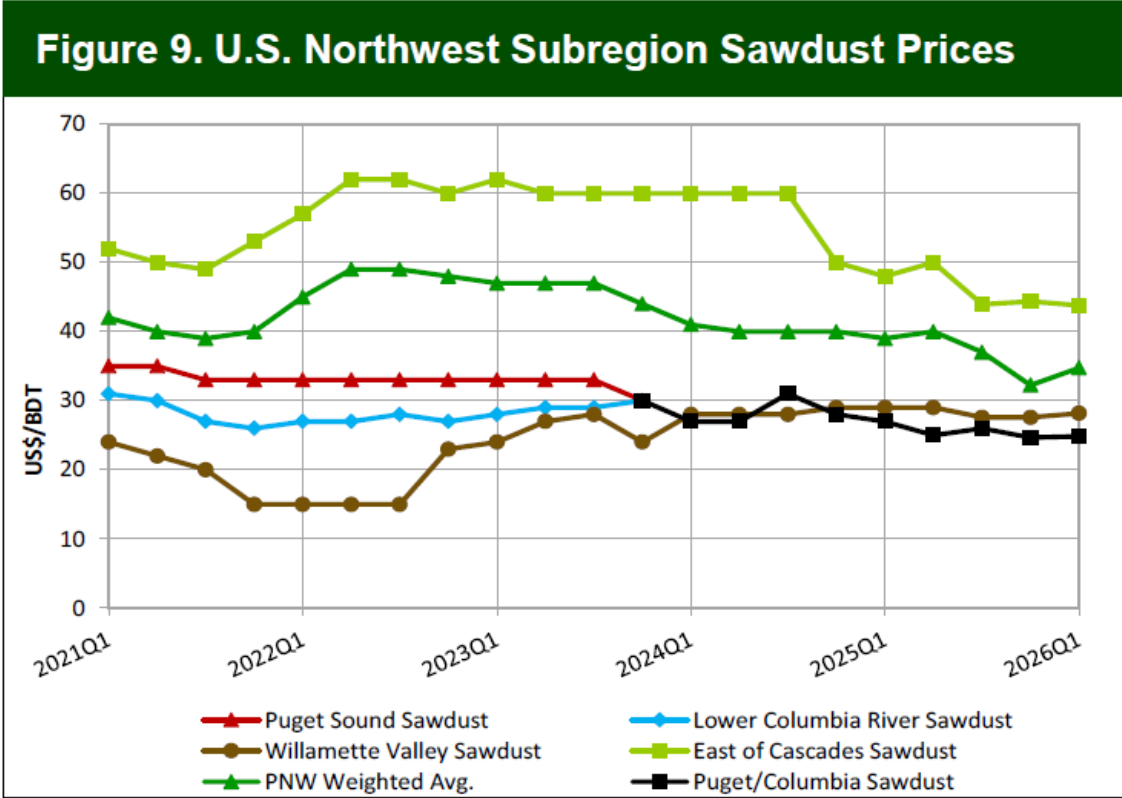
# Residuals – End Products

- Other markets can include
  - Bioenergy - CoGen plants that burn the material to make power
  - Pellets that are used for industrial heat and power, and home heating
  - Agriculture uses a portion as well – plants, soil amendments, animal bedding
- Many have felt the oversupply issues of sawdust and shavings, that is getting better with some recent pellet capacity coming online in Oregon



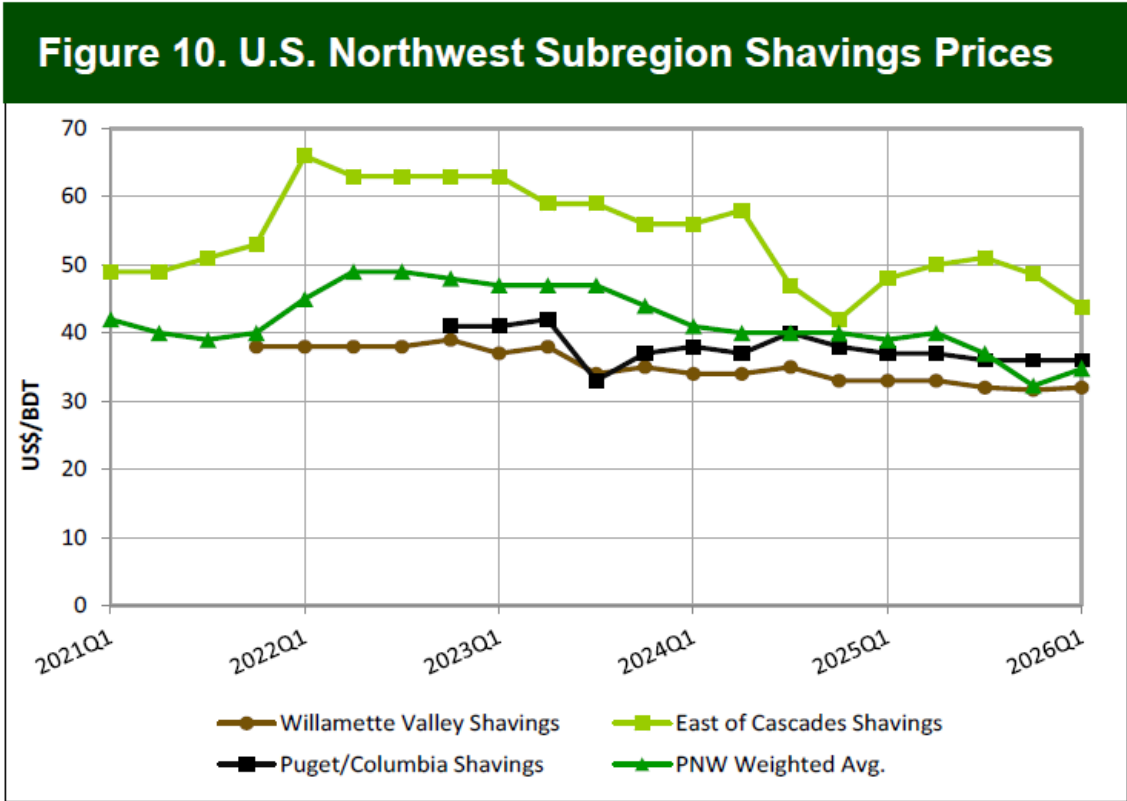
# Sawdust & Shavings

Most all of us know the trouble sawdust has been in the last few years. Demand has fallen and piles were being built everywhere, the closure of the Dillard PB plant had a major impact. Most are reporting the buying and selling sawdust for the cost of transportation. There has been some relief with new pellet capacity, and longer-range plans including an MDF plant Dillard, OR will also help the situation



# Sawdust & Shavings

Shavings tells a slightly better story than sawdust with more demand, especially for dry shavings – generally demand for dry shavings is higher in the winter months, higher demand for green in the summer. Bagged shavings has also been a steady market.



Data Source: *Forisk Wood Fiber Review*

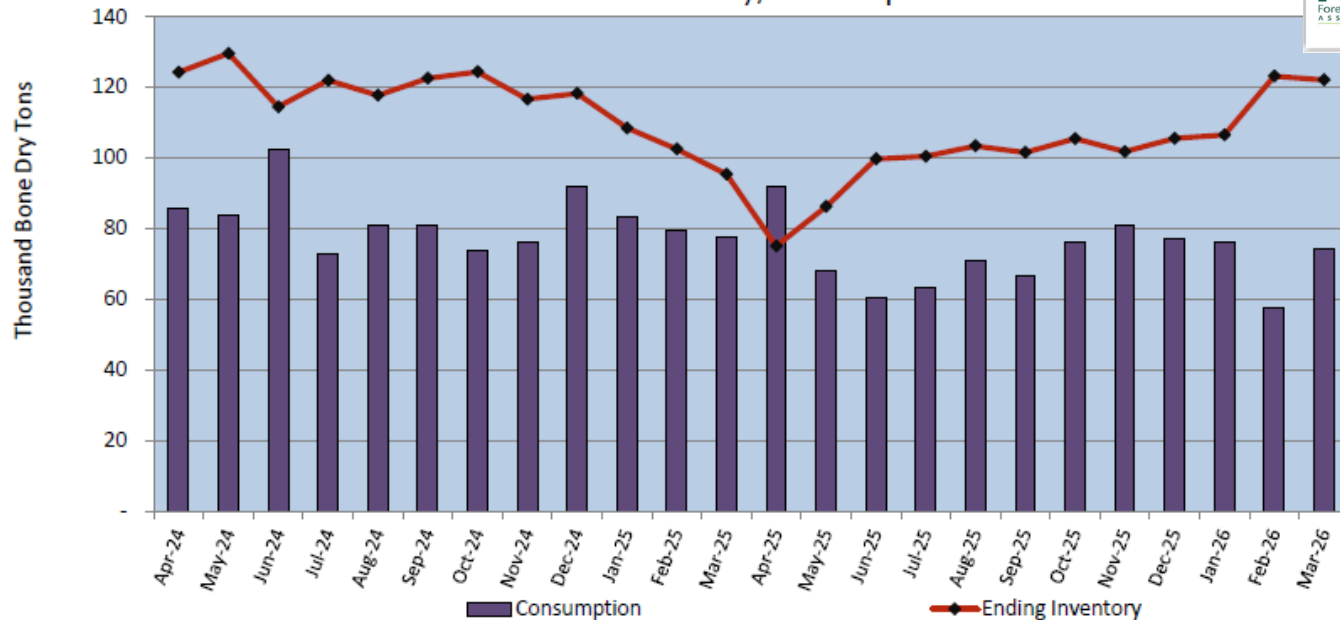
# Hog Fuel

Regional Inventory has been trending up in the west with a drop in consumption. We should see a shift with the typical spring bark slippage underway, as well as the pull from landscape companies. Electricity rates have also not been kind to the plants selling back to the grid

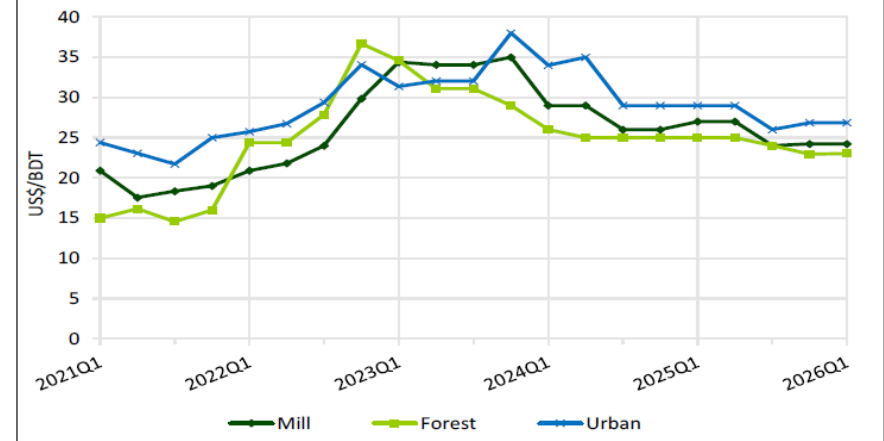
Prices have remained relatively flat in Q1 but down just under 10% year-over-year. Most of the cost increases are associated with transportation

Western Region Monthly Clean Air/  
Green Power  
Generation Energy Report  
Forest Resources Association - March 2026

## Westside Inventory/Consumption



**Figure 19. Western Washington & Northwest Oregon Woody Biomass Prices**



Product	Current Q	Q/Q	Y/Y
Mill	\$24.22	0%	-10%
Forest	\$23.04	0%	-8%
Urban	\$26.86	0%	-7%

Data Source: Forisk Wood Fiber Review  
All prices are in US\$/BDT (delivered).

# Wood Pellets – Import/Exports

## U.S. wood pellet exports increased 2% year-over-year through Nov 2025

- The UK remains the largest importer of US pellets, increasing 7% year-over-year to around 6.8 million tonnes through November
- Denmark increased 19% to 624 thousand tonnes, Netherlands decreased 42% to 364 thousand tonnes
- Shipments to Japan were down 21% to 884 thousand tonnes
- The DRAX facility that was to be built in Longview, WA that was planning to produce 450 thousand tons per year has not progressed and it seems doubtful that the project will continue

## Canadian wood pellet exports are up 9% year-over-year through Nov 2025.

- Pellets from western Canada continue to shift towards Japan and away from the UK. Japan remains the top importer of Canadian biomass with more than 1.3 Million tonnes imported through November, up 19% year-over-year.
- South Korean imports were up 30% year-over-year to 411 thousand tonnes
- UK was down 4% to 752 thousand tonnes.

(Source: FORISK Wood Fiber Review)

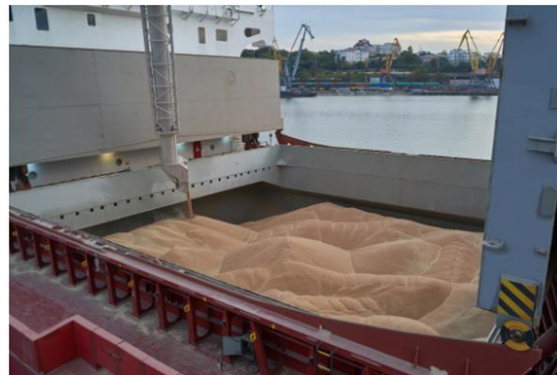
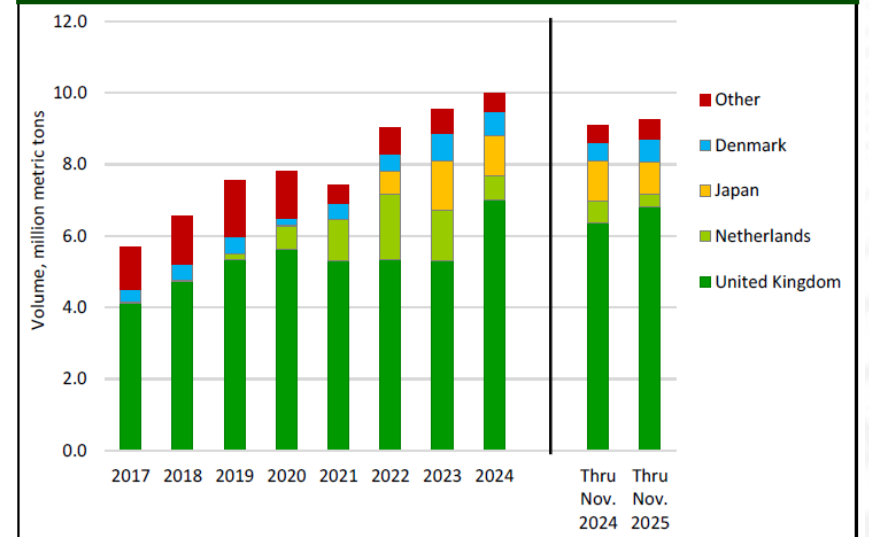
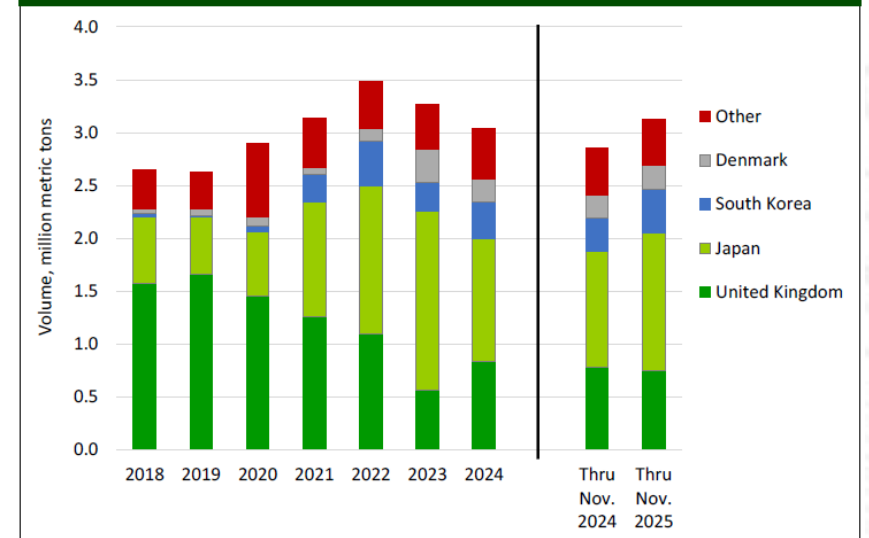


Figure 37. U.S. Wood Pellet Exports by Destination Country



Data Source: U.S. Census

Figure 36. Canadian Wood Pellet Exports by Destination Country



Data Source: Statistics Canada

# Wood Pellet Production – New Capacity

Southport Forest Products in North Bend, OR and Swanson Group in Roseburg, OR have completed and are now operating pellet mills and an export facility, combined to be called Oregon Pellet Mills, LLC. All pellets will be SBP certified.

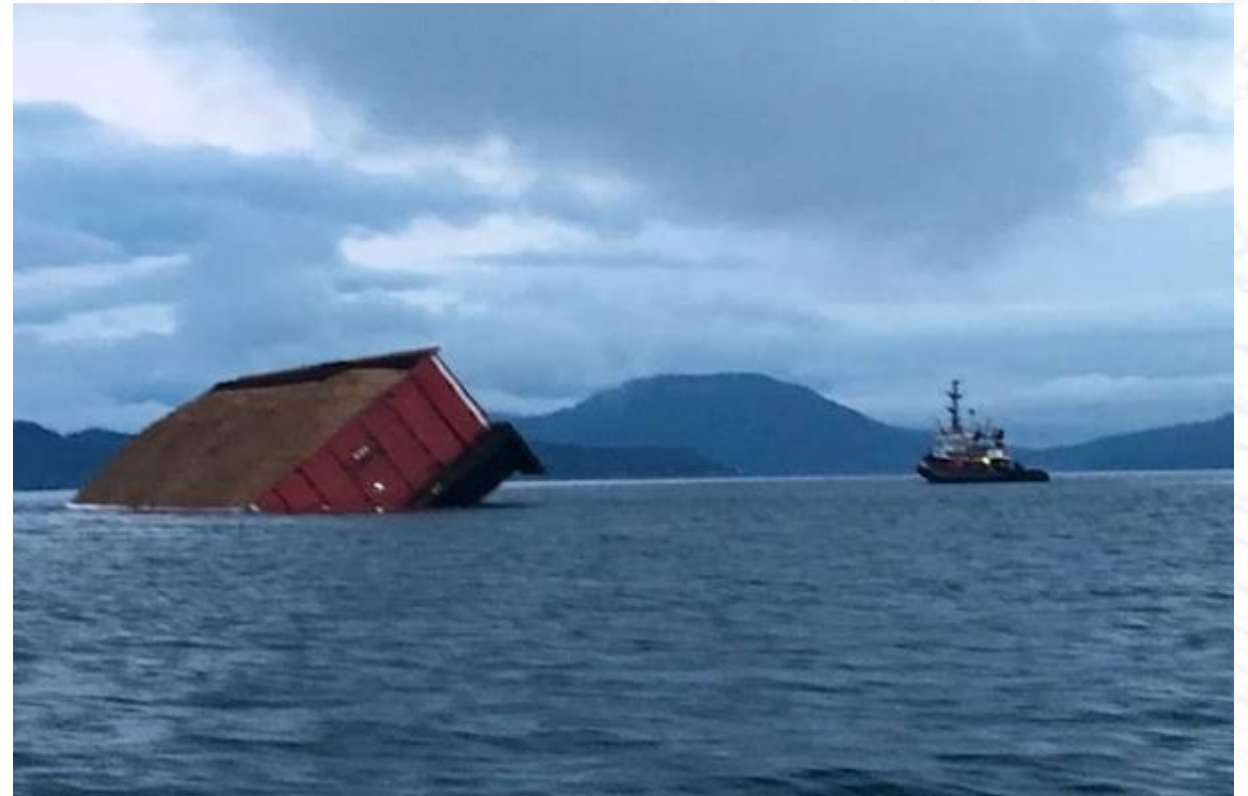
- Southport is initially targeting to produce 40 thousand MT of pellets, with the potential for expansion in the future
- Swanson Group will target 70 thousand MT
- Pellets will export from a newly built export facility in North Bend, OR that has a 35,000 ton capacity
- Primary destination will be Japan
- Pellets will be primarily Douglas fir which has a high calorific value





*There's no bad days  
when you're on the water*

*Well, maybe one or two...*



# Thank you!

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