

# USA/Oregon WOOD PELLET MARKET



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*Thank you for  
your attention!*



Bear Mountain Forest Products



## **Bear Mountain<sup>TM</sup> Forest Products**



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## Who is Bear Mountain?

One of the top US manufacturers of "Premium" Wood Pellets, Compressed Bricks, Beddings @ BBQ products

Annual production of 150,000+ pallets of wood pellets/Logs/Shavings (6,800 truckloads)

Sell our products direct to 350+ retail dealers in Western USA

Plants in Brownsville and Cascade Locks, OR. Offices in Portland



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BMFP sells compressed biomass in *Bear Mountain & Golden Fire* brands



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# USA Pellet Appliance Shipments 1998-2008



# USA Wood Pellet Production in tons 2002-2008



## Why has this market been growing?

- Fast increasing costs, and uncertainty, for heating oil, electricity, propane and natural gas.
- Public desire to decrease our dependency on foreign heating sources
- Improved appliance technology.
- Public awareness of the environment and concern over climate change



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## US Heating Costs Per Million BTU's

August 2008



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## US Heating Costs Per Million BTU's January 2009



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### How important are pellets?

- 1,000,000 US homes heat with pellet stoves.
- Bear Mountain pellets heat 30,000 Oregon homes, and another 30,000 in surrounding States.
- BMFP and WOW employ full time workers in Cascade Locks, Brownville, Banks, Columbia City, OR.
- We purchase thousands of truckloads of raw materials from local sawmills



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2004 USA Pellet Producers  
21 Plants- 850,000 tons



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2009 USA Pellet Producers  
80 Plants- 2,000,000 tons



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2008 USA Pellet Producers  
Megaplants- 1,000,000 tons?



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Global  
2008-2009  
PELLET  
MARKET

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US Market: 1.5-2.0 million tons,  
European Market: 6+ million tons



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## Why is Europe so far ahead?

- 'Pellets' were born in Oregon in 1970's, but biomass appliance technology is far superior in Europe. US appliances require low-ash fuels, not so in Europe.
- Policy framework in the EU is very supportive of biomass (for heating and electricity) as it contributes to climate and environmental objectives, reduces import dependency and supports local economies.
- Europe heavily taxes fossil fuels, making funds available for biomass development. Citizens are generally more environmentally concerned.

Europe expects  
to double in 5 yr



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# Using pellets to create electricity

1,200 tons/day

unloading with mobile crane

400,000 tons annually

unloading hopper

screening

hopper and filter



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Green Circle Bio Energy-Florida  
500,000+ ton capacity  
200 daily truckloads of logs  
Swedish owned, all pellets exported



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# Dixie Pellets-Alabama

Annual capacity 680,000 export tons

(Conway Data)



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How are the USA and Europe pellet industries different?



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## US-dominated by room heaters



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## Europe-Hi-tech home boilers



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US-Manufactures still ship  
mostly in bags, by truck



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Most European consumers get  
bulk home delivery of pellets



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US-Consumers must drive to retailers to purchase pellets



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Europeans can get home delivery



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**European technology is slowly arriving!**



Harney County Hospital :Burns, Oregon

## Why Biomass in Oregon?

- Oregon has a great wood products heritage. We are known for 'wood'
- Douglas fir is 'the best' wood species for biomass heating (Highest BTU, lowest ash)
- In Bear Mountain and Western Oregon Wood, Oregon has two pellet 'pioneers' already established. We know what to do!
- Pellets and compressed fuels are CO<sub>2</sub> neutral renewable energy sources that have already been 'proven' to work!
- With cooperation and support.....

**Oregon can be  
a world leader!**



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# World Class Oregon Pears, Pinots and Pellets



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