

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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The Italian Wood Pellet Market

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Report Highlights:

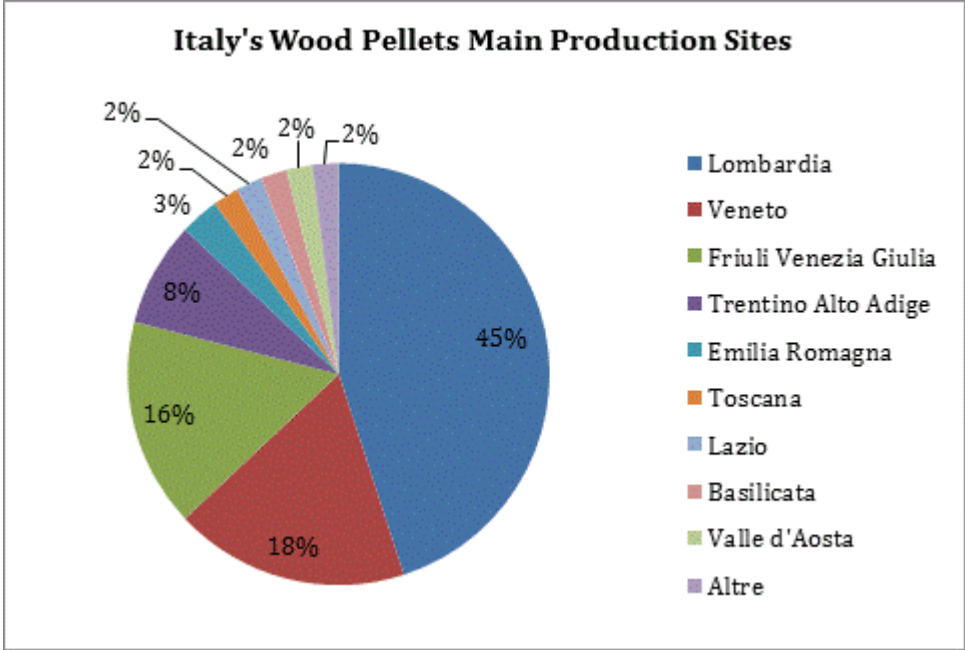
Italy is a leading European consumer of wood pellets (3.1 Million Metric Tons in 2015), with domestic consumption representing 96 percent of the total use. According to the Italian heating market growth expectations and the National Renewable Energy Action Plan, Italy's use of wood pellets is forecast to reach 5.0 Million Metric Tons (MMT) in 2020.

**General Information:
The Italian Wood Pellet Market**

Italy is a leading European consumer of wood pellets (3.1 million metric tons in 2015), with domestic consumption representing 96 percent of the total use. According to the Italian heating market growth expectations and the National Renewable Energy Action Plan, Italy’s use of wood pellets is forecast to reach 5.0 Million Metric Tons (MMT) in 2020. However, only 15 percent of the domestic demand is met by the domestic production, with the remaining 85 percent being covered by imports. Lombardia is the main production site, accounting for 45 percent of the national supply, followed by Veneto (18 percent), Friuli Venezia Giulia (16 percent), and Trentino Alto Adige (8 percent).

In Italy, wood pellets are mainly used in small-scale private residential and industrial boilers for heating. According to the Italian Association of Wood Energy Chain (AIEL), bagged pellet (15 kilograms) represents almost the total consumption. Bulk pellet transported with silo trucks is no more than 20,000 Metric Tons (MT). Wood pellets are mainly distributed through retail shops (i.e. hardware stores) and fossil fuel retailers. On-line sales account for only 6 percent of all retail ones.

Figure 1: Italy's Wood Pellets Main Production Sites



Source: AIEL (Italian Association of Wood Energy Chain) – “Development of the Italian pellet market” (Nov 2014)

Italy is a net importer of wood pellets, with 1.6 MMT imported in 2015, valued at \$329 million, mainly from Austria, Croatia, Germany, Slovenia, France, and Bosnia & Herzegovina.

Table 2: Italy's Leading Wood Pellets Imports

Partner Country	Unit	2013		2014		2015	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	454,571,953	1,755,961	494,105,218	1,956,277	329,437,410	1,640,238
Austria	T	110,715,366	349,491	118,649,530	400,299	90,991,002	405,017
Germany	T	29,401,201	94,507	33,260,290	113,045	24,429,974	108,638
Croatia	T	29,668,188	129,338	24,690,134	111,801	22,080,010	127,732
France	T	25,203,805	86,553	18,623,560	62,350	19,590,614	87,942
Slovenia	T	20,101,939	77,012	25,707,319	99,426	19,532,289	97,869
Lithuania	T	21,415,233	86,689	23,527,280	93,105	16,684,119	82,478
Bosnia & Herzegovina	T	23,842,735	103,823	25,887,472	112,863	15,530,947	86,723
Canada	T	41,880,883	186,001	48,426,183	229,180	14,507,900	85,349
Czech Republic	T	8,261,339	30,803	10,361,975	39,263	14,493,913	66,077
Poland	T	15,096,183	65,553	24,034,500	100,336	14,117,976	71,967
Romania	T	23,915,901	112,145	21,412,945	86,539	10,855,809	62,938
Russia	T	4,924,663	20,528	12,579,437	55,434	9,981,482	58,253
United States	T	28,998,368	120,147	42,469,817	179,965	9,557,147	48,322
Slovakia	T	11,247,198	45,026	10,546,143	40,367	8,539,386	41,452
Ukraine	T	8,781,877	41,846	8,805,826	39,494	5,513,119	33,859

Source: GTA

Table 3: Italy's Leading Wood Pellets Exports

Partner Country	Unit	2013		2014		2015	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	3,240,033	6,360	4,186,020	8,394	3,693,529	9,499
Slovenia	T	441,914	1,631	422,672	1,665	1,019,603	4,095
Brazil	T	457,562	44	359,936	35	591,163	65
Spain	T	255,305	906	635,197	1,561	486,996	1,877
Bulgaria	T	252,700	106	473,019	701	346,765	963
Korea, South	T	156,208	6	192,570	7	235,765	8
Austria	T	329,187	1,058	589,872	1,888	202,609	880
Pakistan	T	3,027	0	107,937	8	104,778	9
Switzerland	T	273,019	783	239,802	608	89,344	335
France	T	159,410	353	254,407	630	82,329	172
Romania	T	432,395	1,168	62,273	130	77,926	274
Indonesia	T	60,866	6	93,336	9	77,651	8
Latvia	T	289	0	144,570	443	74,399	338
Turkmenistan	T	0	0	0	0	70,422	75
South Africa	T	51,234	1	51,105	1	37,579	1
India	T	125,896	15	34,490	3	30,427	4

Source: GTA

Support Schemes

The Italian government has tax deductions in place to encourage buying pellet stoves and a scheme to support small-scale efficiency improvements using ENplus certified biomass. For more information, please see: http://www.lsta.it/files/events/2014-05-12_13_AEBIOM%20konf/2014-05-13_pranesimai/Parallel%202/11_2014-05-13_Bruxelles_Paniz.pdf

Abbreviations used in this report:

MMT = Million metric tons

AIEL = Italian Association of Wood Energy Chain

HS Code

Wood Pellets: 440131