

# Bocharnikov Maksim. Wood Pellets in Russia

## Introduction:

Wood pellets is the result of processing wood waste obtained by grinding wood (usually for that using bad quality wood, or wood waste) and its further pressing under high pressure. Currently, there are two types of pellets. They differ in the content of the bark in the composition and ash content. These types are "Standard" (no more than 3% ash) and "Premium" (no more than 1% ash).

## Description of markets:

In Russia, there are very few factories which are using pellets. This is due to more affordable and cheaper fossil fuels (oil, gas). Today in Russia there are no productions, working by pellets. The exception is heating systems in the private houses. In that case, Russia exports the produced pellets. In Figure 1, you can see the importer countries where Russia export pellets for 2018.

## Russian wood pellet exports by destination in 2018

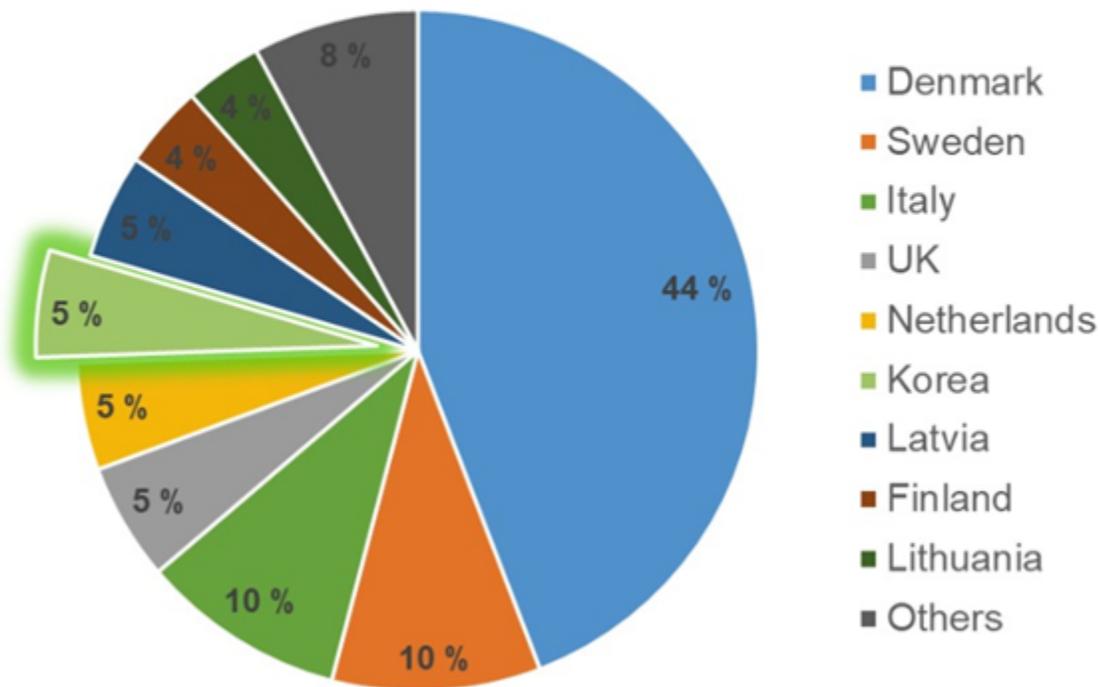


Figure 1. Pellets exports in other countries.

Now in Russia there are about 300 enterprises for the production of pellets. Due to the reduction in transportation costs, most enterprises are located near European territory (Fig. 2).



Figure 2. Location of pellets enterprises in Russia.

### Description of the policies measures:

In 2017, a few programs were launched aimed at supporting the export of high-tech products in Russia. In the case of timber industry enterprises, this applies to the pellets manufacturer. On November 1, 2017, the Government of the Russian Federation No. 1395 and No. 496 include amendments to applications for the vehicles for the transportation (export) of pellets. These subsidies cover up to 80% of the costs incurred in the transportation of pellets. This continued until 2018.

But in February 2019, the laws were changed. In the period from 2017-2018. The amount allocated for export subsidies amounted to 14.5 billion rubles. At the beginning of 2019, the amount of expenses will be only 5 billion rubles. This was done so that a larger number of companies could receive state support, but as a result of the harvesters were not satisfied with the situation, because of lack of enough amount of investments.

[https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Russia%20Wood%20Pellet%20Production%20Update\\_Moscow\\_Russian%20Federation\\_6-21-2018.pdf](https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Russia%20Wood%20Pellet%20Production%20Update_Moscow_Russian%20Federation_6-21-2018.pdf)

<http://www.infobio.ru/news/4077.html>

<http://www.infobio.ru/news/4469.html>

[https://en.wikipedia.org/wiki/Pellet\\_fuel](https://en.wikipedia.org/wiki/Pellet_fuel)

<https://www.timberindustrynews.com/outlines-for-the-russian-wood-pellet-market-in-2018/>