

Roundwood market in Latvia

Forest and Wood Products Research and
Development Institute (MeKA)
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forest | wood | development



Traded assortments



- Harvesting volume in 2017 estimated to be 13 m. m³
harvesting in LVM (Latvian State Forest) – 5,7 m. m³
- Sawlogs (55%): softwood sawlogs; birch sawlogs; packaging timber
- Pulpwood & industrial wood (30%): pulpwood, industrial timber for chipping
- fuel wood (15%): firewood, firewood chips; forest chips, sawdust

Determination of market prices



Sawlogs (softwood and hardwood):

- market prices are for logs sold on sob terms (solid under the bark); top end diameter; delivered to mill.

Pulpwood:

- market prices are for logs sold on sob terms (solid under the bark); delivered to mill.

Fuel wood:

- tricky situation, part of wood prices are determined on volume base (EUR bulk m³), part on energy base (EUR/MWh)

Trade practices and market places



Sawlogs:

- Deliveries from State forests: direct negotiations for annual contracts *Stability* (<40%), half year auctions *Opportunities* (50-55%); standing timber (10%)
- Deliveries from private forests: mill contracts with independent harvesting companies
- Deliveries from private forests: mill contracts with large scale forest owners

Trade practices and market places



Pulpwood:

- Deliveries from State forests: direct negotiations for annual contracts (<90%); standing timber (10%)
- Deliveries from private forests: shippers short term contracts with independent harvesting companies
- Deliveries from private forests: mill contracts with independent harvesting companies
- Deliveries from private forests: mill contracts with large scale forest owners

Trade practices and market places



Fuelwood:

- Deliveries from State forests: direct negotiations for annual or long term contracts.
- Deliveries from private forests: CHP/DH annual contracts with independent harvesting companies

Number and structure of sellers\buyers



Sellers:

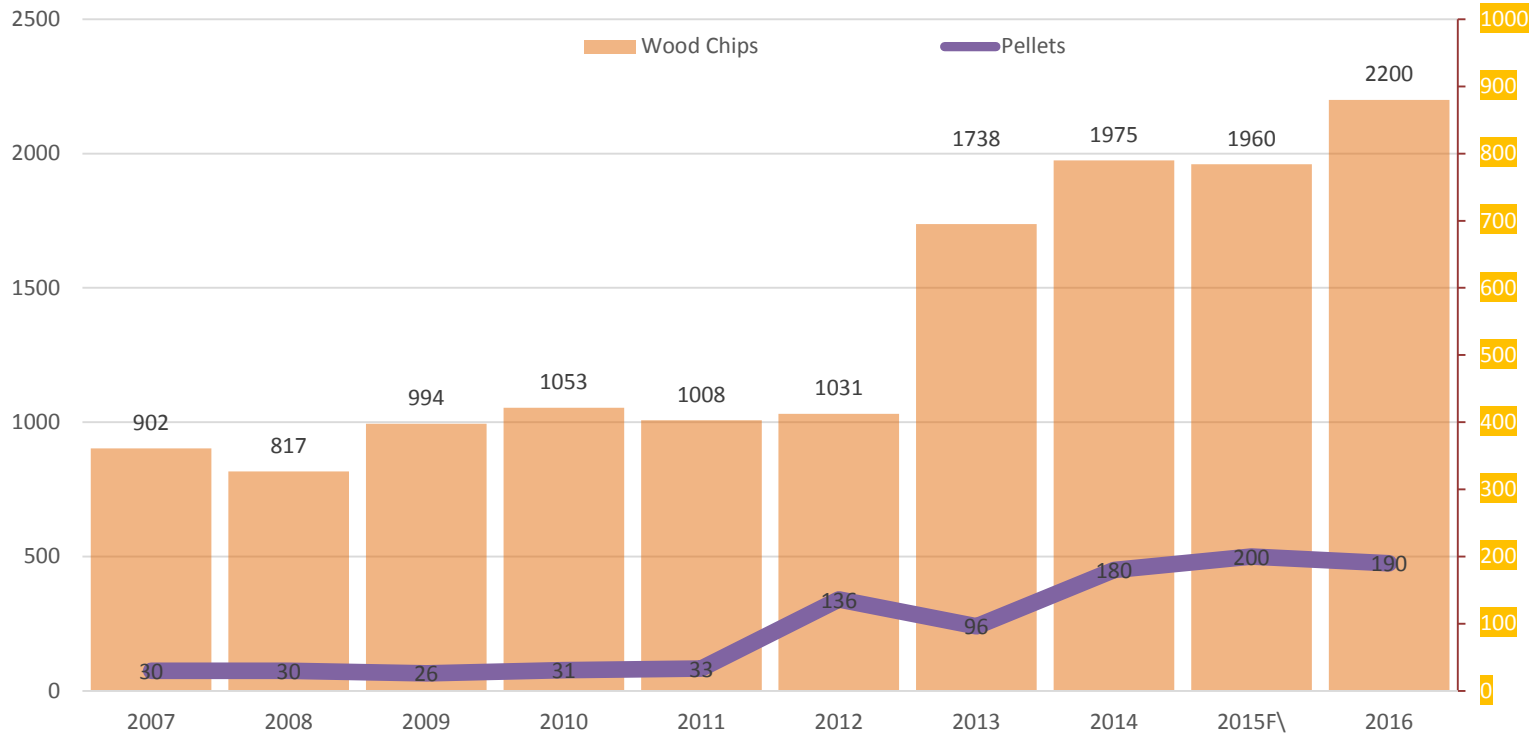
- State forests (53%)
- Large scale forest owners (<15%)
- Individual forest owners (120 000+)

Buyers:

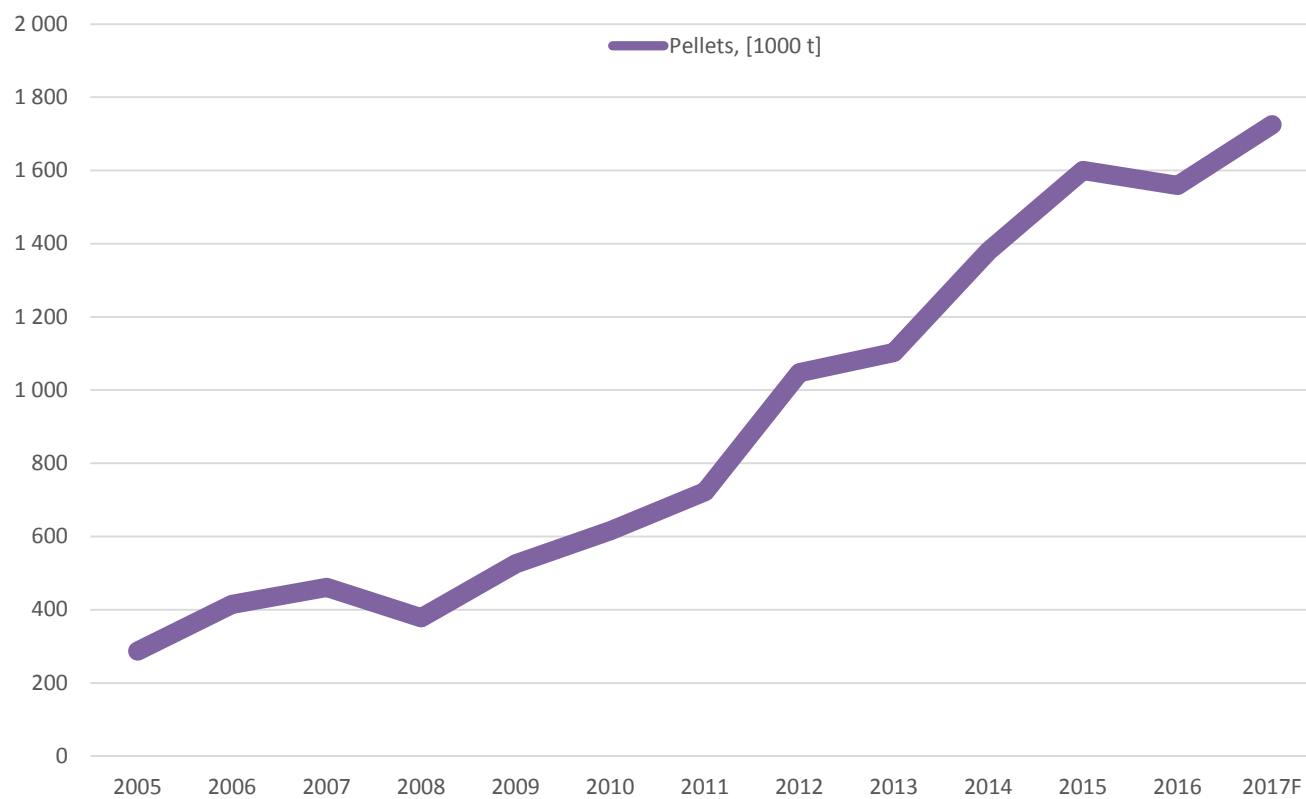
- 7 large scale pellet mills (4,7 mio m³)
- 11 large scale sawmills (4 mio m³)
- Shippers (2.6 mio m³)
- Large scale DH/CHP (2,2 mio m³)
- 2 OSB/plywood panel plants (2,2 mio m³)



Trade of energy wood Consumption in energy sector

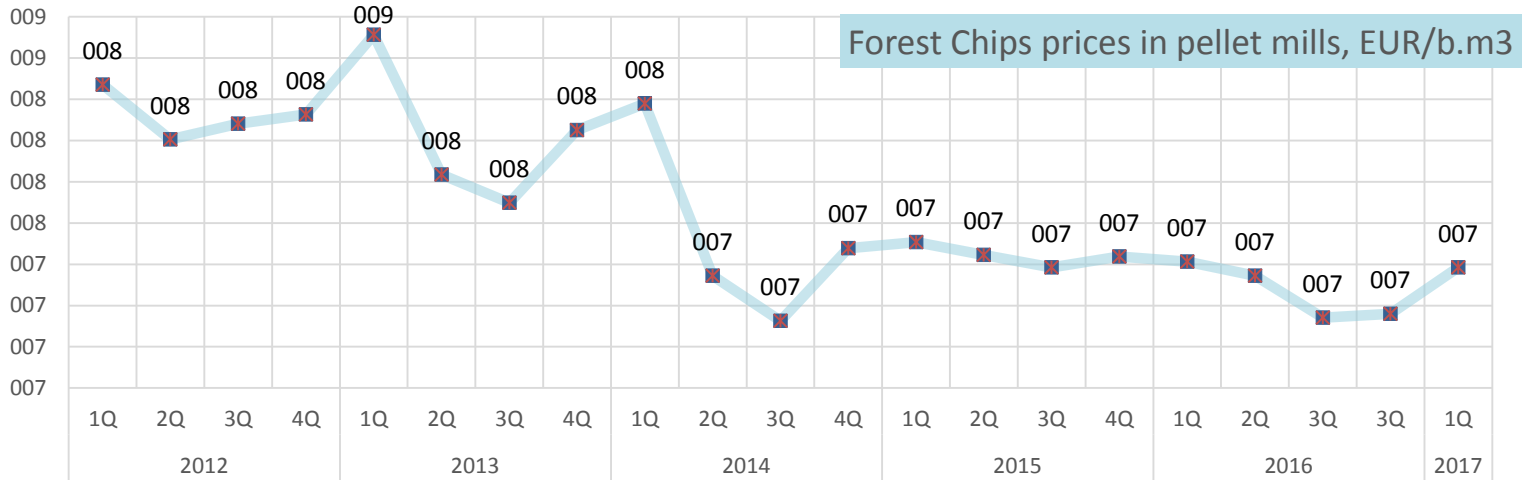


Trade of energy wood Pellet production

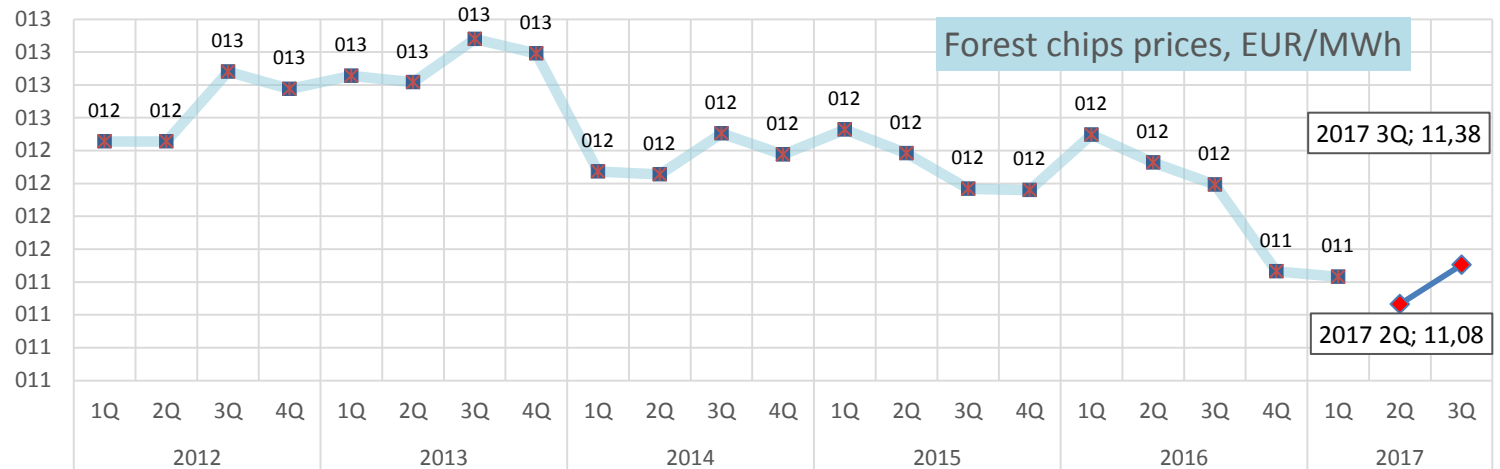


Trade of energy wood

Prices in pellet production



Prices in DH





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