

Global Biomass Pellets Market Poised for Significant Growth Amid Rising Demand for Sustainable Energy | FMI

The biomass pellets market is set for strong growth, driven by sustainability goals, government incentives, and rising industrial heating demand worldwide.

NEWARK, DE, UNITED STATES, January 30, 2025 /EINPresswire.com/ -- The [biomass pellets market](#) is gaining traction as an alternative and sustainable fuel source, driven by stringent environmental regulations and rising awareness about carbon emissions. Biomass pellets, derived from organic materials such as wood chips, agricultural residues, and sawdust, are gaining popularity across residential, commercial, and industrial applications.



Biomass Pellets Market

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The global biomass pellets market is growing rapidly due to environmental concerns and government support, with rising adoption in industrial heating and power generation.”

Nikhil Kaitwade, Associate Vice President at FMI

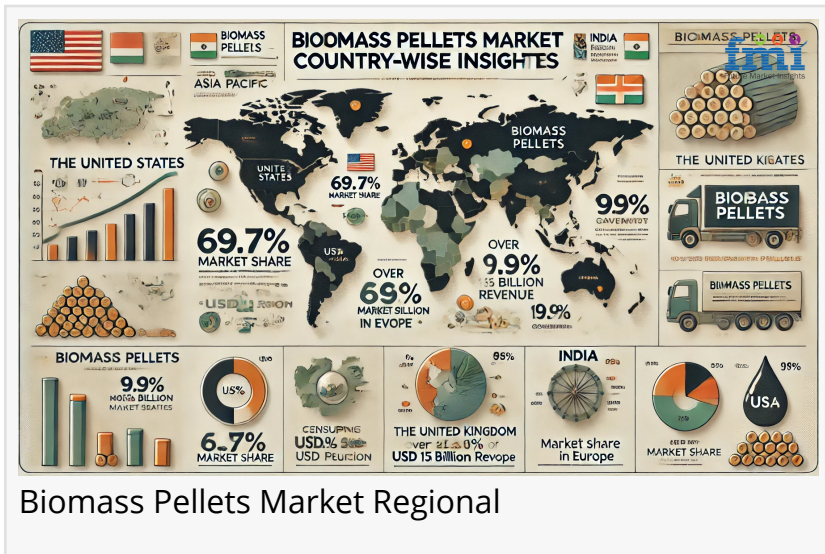
Governments worldwide are implementing policies to promote biomass as a viable energy source, reducing dependency on fossil fuels. The push toward carbon-neutral energy solutions, coupled with technological advancements in pellet production, is propelling market growth. Furthermore, industries seeking sustainable energy alternatives are increasingly adopting biomass pellets to comply with global emission norms.

Between 2018 and 2022, the global biomass pellets market experienced steady growth due to increasing adoption in power generation and heating applications. The period saw a rise in demand from industrial and residential sectors due to

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stringent carbon emission policies.

Looking ahead, the market is expected to expand significantly, with a projected valuation of USD 10,872 million in 2023, reaching USD 20,409.2 million by 2033, at a CAGR of 6.7%. This growth is attributed to rising industrial applications, increased government incentives, and advancements in biomass pellet production technologies.



Biomass Pellets Market Regional

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How are Government Initiatives Encouraging Biomass Market Growth?

- Subsidies and Incentives: Many governments are offering subsidies for biomass heating systems and production facilities, making biomass pellets a cost-effective alternative.
- Renewable Energy Policies: Regulations promoting the use of sustainable fuels in power generation have accelerated biomass pellet adoption.
- Carbon Credit Systems: Industries using biomass fuels benefit from carbon credit schemes, further incentivizing their use.
- Public-Private Partnerships: Governments are collaborating with private players to enhance biomass supply chains and processing infrastructure.

What are the Primary Concerns for Biomass pellet manufacturers?

- Supply Chain Constraints: The availability and cost of raw materials such as wood and agricultural residues remain a challenge.
- High Initial Investment: Setting up pellet production plants requires significant capital investment, limiting new entrants.
- Storage and Transportation Issues: Biomass pellets are sensitive to moisture, requiring specialized storage solutions, adding to operational costs.
- Regulatory Compliance: Varying emission standards across regions present compliance challenges for manufacturers.

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- The biomass pellets market is expected to grow at a CAGR of 6.7% from 2023 to 2033.
- Government incentives and carbon credit schemes are driving market expansion.

- Industrial heating applications are witnessing a surge in biomass pellet demand.
- Storage and supply chain challenges continue to impact market growth.
- Europe and North America dominate market share due to stringent carbon regulations.

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Which is the Preferred Source of Biomass Pellets?

Wood-based biomass pellets remain the most widely used source, accounting for a substantial market share. These pellets offer high energy density, making them ideal for industrial applications. Agricultural residues and energy crops are also gaining traction due to their cost-effectiveness and availability.

How is Growing Demand for Industrial Heating Bolstering the Sales of Pellet Fuel?

Industries across manufacturing, power generation, and commercial sectors are increasingly utilizing biomass pellets for heating. Their high combustion efficiency and lower carbon footprint make them an attractive option for companies looking to transition to sustainable energy sources.

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- For Manufacturers: Growth opportunities in expanding production facilities and exporting to international markets.
- For Governments: Reduction in fossil fuel dependency and achieving carbon neutrality goals.
- For Industries: Cost-effective and eco-friendly alternative to conventional fuels.

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- Industrial applications are expected to dominate the biomass pellets market.
- Europe leads in biomass pellet consumption due to strict emission regulations.
- Advances in pellet production technology are enhancing market efficiency.

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Why is Demand for Biomass Pellets Rising in the United States?

The USA biomass pellets market is expanding due to government initiatives promoting renewable energy adoption. The country's Renewable Energy Tax Credit and growing demand for sustainable heating solutions are driving market growth. The USA accounts for a significant share in North America's biomass pellet consumption.

What is the Demand Outlook for Biomass Pellets in the United Kingdom?

The UK government's support for biomass-based energy solutions is boosting market expansion. Policies like the Renewable Heat Incentive (RHI) and Net Zero Emissions targets are pushing industries and residential users toward biomass fuel adoption.

Why is India's Biomass Pellets Market Expanding?

India is witnessing a rise in biomass pellet adoption due to growing energy demand and initiatives like the National Bio-Energy Mission. Increased investment in biomass power plants and a shift toward sustainable energy sources are major drivers for market expansion.

Global Biomass Pellets Market is likely to grow at revenue of US-20.4 Billion at a steady CAGR during the forecast period ending in 2033. Data Report by Future Market Insights Inc. <https://www.globenewswire.com/news-release/2023/04/18/2649214/0/en/Global-Biomass-Pellets-Market-is-likely-to-grow-at-revenue-of-US-20.4-Billion-at-a-steady-CAGR-during-the-forecast-period-ending-in-2033-Data-Report-by-Future-Market-Insights-Inc.html>

The biomass pellets market is highly competitive, with key players focusing on technological advancements and strategic partnerships. Leading companies include:

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- Enviva Partners LP (USA) – Expanding production facilities to cater to growing demand.
- Drax Group (UK) – Investing in biomass power projects to achieve net-zero emissions.
- Pinnacle Renewable Energy (Canada) – Enhancing pellet production capacity through acquisitions.
- Wood Pellet Energy (Japan) – Strengthening supply chains for international exports.
- Energex Corporation (Canada) – Focused on high-efficiency pellet production technology.

Recent Trends:

- Increasing investment in biomass gasification technology.
- Growing emphasis on pellet-based power plants in emerging markets.
- Advancements in moisture-resistant pellet formulations for better storage and transport.

Recent Developments:

- Enviva Partners LP announced an expansion of its production facilities to meet rising demand in Europe and North America.
- Drax Group committed to becoming carbon-negative by 2030 through increased biomass usage.
- Pinnacle Renewable Energy invested in research to develop high-efficiency biomass pellet variants.

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By Source:

- Agriculture Residue
- Wood Sawdust
- Others

By End Use:

- Power Generation
- Industrial Heating
- Commercial and Domestic Heating
- Others

By Region:

- North America
- Latin America
- Europe
- Asia Pacific
- MEA

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[Europe black & wood pellets market](#) is currently valued at around USD 10,867.5 million and is forecast to grow at a CAGR of 9.0% between 2022 and 2032, to reach USD 25,812.9 million by 2032.

The [demand for wood coatings](#) is anticipated to reach USD 12,000 million by 2025. Over the forecast period (2025 to 2035), the market is projected to expand at a CAGR of 6.2% and attain a value of USD 17,700 million by the end of 2035.

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Future Market Insights Inc.
Christiana Corporate, 200 Continental Drive,
Suite 401, Newark, Delaware – 19713, USA
T: +1-347-918-3531
For Sales Enquiries: sales@futuremarketinsights.com
Website: <https://www.futuremarketinsights.com>

Ankush Nikam
Future Market Insights Global & Consulting Pvt. Ltd.
+ +91 90966 84197
[email us here](#)
Visit us on social media:
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