Biomass Pellets Market to Reach $16.0 Billion by 2033, Driven by Rising Renewable Energy Demand and Government Support

Japan and South Korea, increasing biomass pellet imports to diversify their energy portfolios and reduce fossil fuel dependence.

Biomass Pellets Market Growing Demand

WILMINGTON, DE, UNITED STATES, June 25, 2026 /EINPresswire.com/ -- The global biomass pellets market is experiencing steady growth, fueled by increasing environmental awareness, climate change mitigation efforts, and the growing demand for sustainable energy solutions. Biomass pellets, recognized for their lower carbon footprint compared to conventional fossil fuels, are gaining traction worldwide as governments and industries accelerate the transition toward cleaner energy sources.

According to a recent report published by Allied Market Research, titled “Biomass Pellets Market by Source (Agricultural Residue & Waste, Forest & Wood Waste, Virgin Lumber, Food Waste, Energy Crops, and Others) and Application (Heating, Power Generation, and Others): Global Opportunity Analysis and Industry Forecast, 2024–2033,” the market was valued at $9.5 billion in 2023 and is projected to reach $16.0 billion by 2033, registering a CAGR of 5.4% from 2024 to 2033.

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https://www.alliedmarketresearch.com/request-sample/5551

Key Growth Drivers:-

The expansion of the biomass pellets market is primarily attributed to:

- Growing concerns regarding climate change and greenhouse gas emissions.

- Increasing adoption of renewable energy sources across industrial and utility sectors.
- Supportive government policies, subsidies, renewable energy mandates, and carbon reduction targets.
- Technological advancements that improve pellet production efficiency while lowering operational costs.
- Rising global energy demand and the need for enhanced energy security and diversification.

Despite strong growth prospects, the market faces challenges such as high upfront investment costs, supply chain complexities, raw material competition, and environmental concerns associated with large-scale biomass production. Nevertheless, ongoing technological innovations, expansion into emerging economies, and increasing green energy investments are expected to create substantial opportunities for market participants.

Forest & Wood Waste Segment Maintains Market Leadership:

- Among the various feedstock sources, the forest & wood waste segment is expected to retain its dominant position throughout the forecast period.

- Forest residues, sawdust, logging by-products, and wood processing waste provide a reliable and abundant raw material base for biomass pellet production. Wood-based biomass offers high calorific value and energy density, making it an efficient fuel source for power generation and heating applications.

- Furthermore, established forestry and wood-processing supply chains facilitate efficient collection, transportation, and processing of raw materials. Utilizing forestry waste also supports circular economy initiatives by reducing waste disposal requirements and lowering production costs.

Power Generation Emerges as the Fastest-Growing Application:

- The power generation segment is projected to witness the highest growth rate during the forecast period.

- Biomass pellets are increasingly used in dedicated biomass power plants, where they are combusted to generate steam and electricity. Their growing adoption is also driven by co-firing applications in conventional coal-fired power plants, enabling utilities to reduce carbon emissions without extensive infrastructure modifications.

- In addition, Combined Heat and Power (CHP) systems are utilizing biomass pellets to simultaneously generate electricity and thermal energy, significantly improving overall energy efficiency. These applications contribute to reduced greenhouse gas emissions, improved waste utilization, and enhanced energy security.

Asia-Pacific Continues to Lead Global Growth:

- Asia-Pacific is expected to maintain its dominance in the global biomass pellets market through 2033, supported by rapid industrialization, expanding populations, and increasing energy requirements.

- Governments across the region are implementing stricter environmental regulations and promoting renewable energy adoption through supportive policies and incentive programs. These initiatives are accelerating biomass pellet consumption across residential, commercial, and industrial sectors.

Key regional markets include:

- China, leveraging extensive agricultural and forestry resources to strengthen biomass energy production.
- Japan and South Korea, increasing biomass pellet imports to diversify their energy portfolios and reduce fossil fuel dependence.
- India, utilizing its vast agricultural base to expand biomass energy applications and support sustainable energy development.

Competitive Landscape:-

Major players operating in the global biomass pellets market include:

- Enviva, Inc.
- Drax Group plc
- Forest Energy Corporation
- Energex Corporation
- Bühler AG
- Sumitomo Corporation
- JP Green Fuels
- Ecostan Biofuel
- Zilkha Biomass Fuels
- Fram Fuels

These companies are focusing on capacity expansion, technological innovation, strategic partnerships, and sustainable sourcing initiatives to strengthen their market presence and meet growing global demand for biomass-based energy solutions.

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