

What is the US South's potential to supply forest biomass sustainably and competitively to the expanding global biofuels industry?

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Abstract

Background: While climate change concerns prompt the development of renewable energy sources, the majority of global energy consumption continues to be fulfilled by fossil fuels. The current consumption of renewable energy continues to be dominated by plant biomass, much of it sourced from forests. Given that the development of new biomass sources is expensive and time consuming, it is feasible that forest biomass will continue to grow in importance. The US South has emerged as a leading global supplier of industrial wood pellets destined primarily for Europe. The purpose of this presentation is to assess whether the US South can still increase the supply of forest biomass to global markets in a sustainable and competitive manner. **Methods:** We examine southern forest resource trends (inventory, growth, harvest), biomass availability from logging and manufacturing operations, and market conditions. This is accompanied by the assessment of the forest products industries and trends, as well as wood prices and wood cost competitiveness across leading world supply regions. The region's renewable forest biofuels industry, including industrial wood pellets and advanced biofuels, is also evaluated. **Lessons Learned:** The US South is the world's largest industrial wood supply region that has a significant potential to substantially increase the supply of forest biomass to the global market. Forest growth substantially exceeding harvest and a third-party certification of industrial forests ensure sustainability. The supply will remain cost competitive because of the demand contraction following the financial crisis and industry restructuring. The biomass supply greatly benefits from the well-developed infrastructure and established collection system. **Conclusions:** There is an abundance of cost competitive and sustainably sourced forest biomass in the US South. The primary obstacles preventing increased utilization are biofuels technological and cost bottlenecks in the current regulatory and market environment.

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Biography:

Jacek Siry has significant international forestry experience, including forest finance and investment, business management, and policy; timber trade, availability, and costs; and natural and plantation forest management across the world's major producing regions. His research is focused on the global competitiveness of forest industries, international forest investments, timber market modeling, and forest management efficiency.

Biography

Bob Izlar has been founding director of the UGA Harley Langdale, Jr. Center for Forest Business since 1998. He has 24 years of operational forestry experience in forest industry. Izlar is a retired United States Army Colonel with 36 years' service.