



Wood  
Recyclers'  
Association

# WINTER 2023/24

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## Waste Wood Market REPORT

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## Overview

It is a 'normal winter' in the waste wood market, according to operators, who suggest the market has now fully returned to pre-covid trends.

In December operators reported a seasonal reduction in volumes sent to HWRCs (Household Waste Recycling Centres) and that the supply of waste wood in general was tightening. This has put the usual seasonal downward pressure on gate fees, particularly in the South East where there has been additional competition for material from the export market.

The downturn in the economy means that some companies in the construction and demolition sector have had to pause projects or delay work, less home refurbishment is being carried out and consumer spending is down. It is felt that this could begin to impact waste wood arisings and demand for recycled products more generally.

## Biomass

Demand for waste wood from the biomass market remained high in December to meet demand for energy during the colder months and this is expected to continue into 2024. All plants were online with only planned outages, with another strong winter forecast for the sector. Plant reliability is also improving due to an increased appetite in a longer-term plant ownership model, resulting in more long-term investment.

However, with supply and demand of waste wood carefully balanced, competition from the export market is continuing to present a challenge for the sector.

Plant operators are also apprehensive about what will happen post ROCs, with some due to stop receiving support from as early as the mid 2020s. The sector is awaiting the launch of two important DESNZ consultations in the Spring on transitional support and sustainability criteria for biomass.

## Panel Board

Demand for panel board remained relatively buoyant in 2023 and panel board manufacturers were able to build up good stocks of waste wood feedstock in the run up to Christmas, despite competition from the biomass sector and export market.

However, high inflation saw new residential house building starting to slow in 2023 and less refurbishment carried out, alongside falling furniture sales - all key markets for panel board.

## Panel Board cont.

The Construction Products Association has forecast no growth in domestic housing in 2024 and the Wood Panel Industries Federation (WPIF) expects 'lean times ahead, with potential consolidation in some areas of the market'.

The WPIF has noted, however, that some markets – including social housing, commercial interiors and student accommodation – are performing better than others, while retail sales of furniture are under particular pressure, due to reduced public spending and cheap imports.

Meanwhile, lower production at sawmills during the second half of 2023 created a reported shortage of pre-consumer waste wood, putting upward pressure on prices. As a result of this and falling demand, some panel board manufacturers lowered production or planned extended down time for maintenance. However, sawmill activity has picked up in recent weeks, with most sawmills reportedly running at around 90-100% at present.

In the longer term, the WPIF notes that the longer-term outlook for the panel board sector is bright as recognition of the benefits of timber and wood products in construction gains momentum. It also says that investment by panel board manufacturers has helped the sector to diversify and access new market opportunities.

## Animal Bedding

The animal bedding market is currently very busy with some operators reporting record sales which have not been seen since before Covid. Following shortages last winter, recyclers were careful to build up waste wood supplies over the summer in preparation for the colder months.

Demand for bedding began a month earlier than usual, in August 2023, due to the wet summer and rose steadily from November after the weather became colder. Sawmills pausing operations over Christmas are expected to hit stocks further. As a result of this and the ongoing cold weather, some producers are expecting to sell out of animal bedding by the end of January.