

Resilience and Realignment: The Global Rosin & Turpentine Industry in 2025

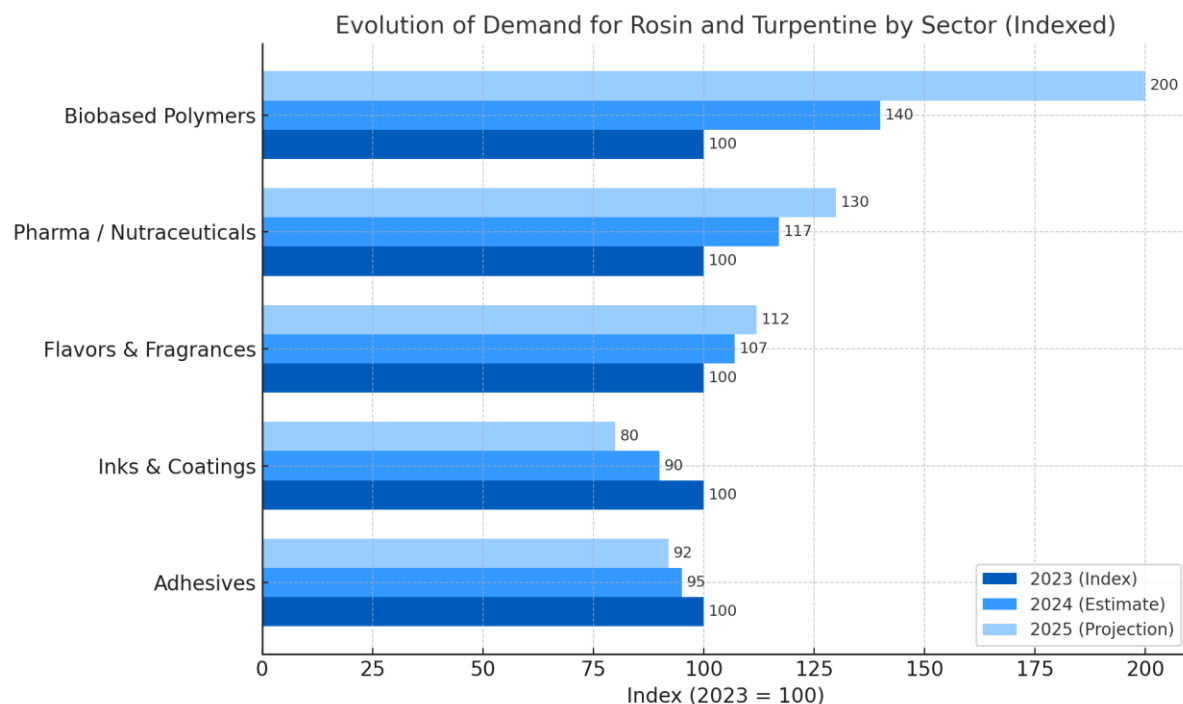
current trends, regional risks, and future opportunities

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Market Trends & Demand Dynamics

Understanding Shifts in Consumption



- Adhesives, coatings, inks, rubber, flavors & fragrances remain core demand sectors
- Downstream substitution trends: hydrocarbons vs. biobased
- Post-pandemic recalibration in procurement volumes and patterns
- Key takeaway: Market bifurcation is real—innovation is essential to remain competitive

**The industry is no longer driven by volume alone
- value, performance, and traceability are
reshaping the demand curve.**

Rising Production Costs & Operational Pressures

Cost Drivers and Impact



RAW MATERIAL PRICES

Escalating costs across the globe



ENERGY & LOGISTICS EXPENSES

Fuel prices, freight rates on the rise



LABOR COSTS

Wage pressures adding to burden



FOREX FLUCTUATIONS

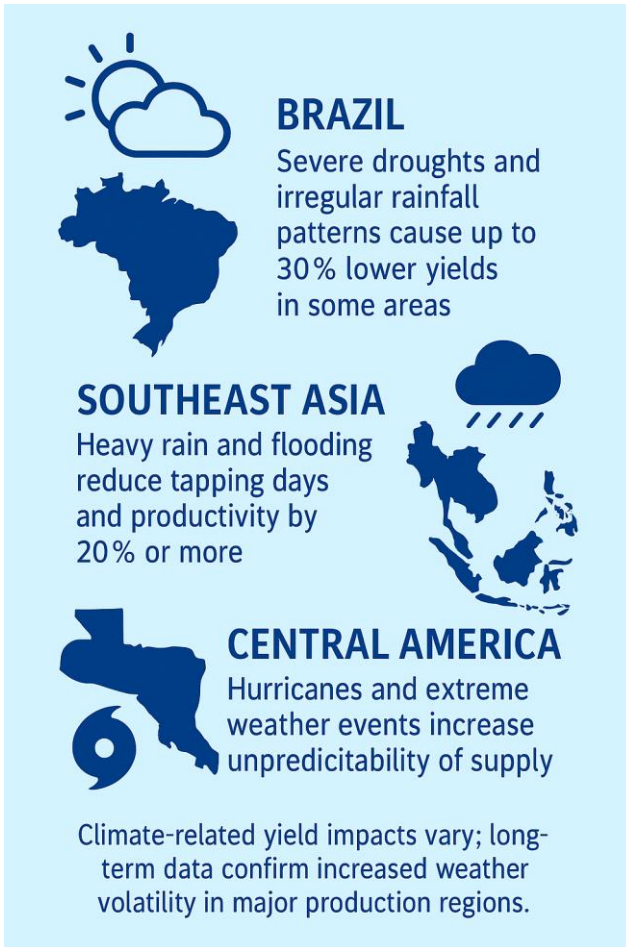
Currency volatility complicates planning

- ▶ Inflationary pressures on labor, transport, and energy across all regions
- ▶ Smaller producers struggling with margins and scale inefficiencies
- ▶ Compliance cost layers growing
- ▶ Market is increasingly rewarding efficiency, traceability, and ESG alignment

The winners will be those who can streamline operations while still delivering quality and traceability.

Climate Impact on Production

Environmental Volatility



- ▶ Recurring droughts in Brazil reducing gum flow and forest productivity
- ▶ Argentina's bounce-back from 2020/21 drought as case study
- ▶ Environmental unpredictability: climate as a structural risk
- ▶ Strategy: build flexibility and de-risk long-term supply chains

Climate monitoring, contingency planning, and diversified sourcing will become essential pillars of operational risk management.

Regulatory Landscape: Sustainability as Market Filter

From Trend to Requirement



REGULATORY LANDSCAPE
Environmental standards are evolving from voluntary guidelines to enforceable laws.



COMPLIANCE COMMITMENT
Operations now require proof of environmentally friendly practices, such as LCA or carbon footprints.



CUSTOMER EXPECTATIONS
Buyers and end consumers are increasingly prioritizing sustainable sourcing and practices



CERTIFICATION IMPERATIVE
Forest management certifications are becoming critical for market access

EUDR applies to all forest-based materials; U.S. ESG and traceability requirements under review (2024–2025).

- ▶ EUDR: game-changing traceability regime for all forest-based inputs
- ▶ Implications for non-EU producers selling into Europe
- ▶ Anticipating similar frameworks in the U.S., particularly the enforcement of California's climate disclosure laws (SB 253 and SB 261) and a shifting landscape for SEC regulations.
- ▶ Shift from green branding to hard compliance as market access condition

Sustainability is no longer a trend. It's becoming the new market filter, especially under frameworks like EUDR.

Regional Spotlight: Latin America

Diversity, Volatility, and Promise



- ▶ Brazil: leading volume producer, expansion tempered by currency and logistics risks
- ▶ Argentina: high-potential but politically unstable
- ▶ Mexico : limited current upside due to labor/admin gaps; potential tied to risk capital *(Insights informed by recent industry consultations and local intelligence)*
- ▶ Central America: raw material present, performance constrained; needs support & demand signals *(Insights informed by recent industry consultations and local intelligence)*
- ▶ Strategic sourcing: balance opportunity with risk in emerging regions

We must balance opportunity with operational reality.

Trade, Realignment & Supply Chain Rebalancing

Realignment without Rhetoric

Trade, Realignment & Supply Chain Rebalancing



HIGH TRADE BARRIERS

Protectionism reshapes cross-border dynamics



SUPPLY CHAIN VULNERABILITIES

Logistics gaps and bottlenecks disrupt routes



REGIONALIZATION & FRIENDSHORING

Like-minded but concentrated trade partners



TRANSPARENCY & DILIGENCE

Compliance and traceability now mandatory

- ▶ U.S.-China trade friction: not just tariffs but long-term strategic decoupling
- ▶ EU reasserting trade standards via environmental and social regulations
- ▶ Rise of neutral players: India, Southeast Asia
- ▶ Nearshoring & dual sourcing gaining traction in North America

Winning in today's trade environment means thinking ahead—realigning not just routes, but strategies.

Innovation & Value Generation From Commodity to Specialty

Innovation & Value Generation



SHIFT TO SPECIALTIES

Rosin esters, turpentine derivatives, bio-based polymers



INNOVATION BEYOND TECHNOLOGY

Partnerships, regulatory adaptation, value-chain integration



AGILITY FOR SMALLER PLAYERS

Niche positioning and collaborative R&D

Future growth depends on differentiated, traceable, and performance-driven solutions.

- ▶ Resins for pharma, nutraceuticals, bioplastics emerging
- ▶ Rising interest in pine-based esters as plasticizer alternatives
- ▶ Biochemicals innovation as hedge against price compression
- ▶ Need for continuous R&D, product application partnerships

Moving from commodity to specialty is a mindset shift.

Strategic Playbook for Resilience

Building a Future-Proof Business

Strategic Playbook for Resilience Building a Future-Proof Business



Diversify Sourcing

Expand across regions and suppliers to build flexibility and reduce disruption risk.

Traceability & Compliance

Invest in systems that enable market access under EUDR and ESG frameworks.



Align ESG priorities

Meet customer expectations by embedding sustainability across the value chain.

Foster collaboration

Form strong ecosystems through partnerships, joint ventures, and co-development.



Resilience today isn't about avoiding risk -- it's about **readiness, adaptability, and leadership.**

- ▶ Diversify sourcing across regions and partners
- ▶ Invest in traceability and compliance systems
- ▶ Align ESG efforts with customer expectations and regulatory demands
- ▶ Foster industry alliances, supplier integration, and knowledge sharing
- ▶ Develop employees, nurture talent, empower individuals, and support growth

Resilience isn't risk avoidance – it's proactive readiness. The bold and prepared will lead tomorrow's market.

Closing Message

Closing Thought

NAVIGATING COMPLEXITY, CREATING OPPORTUNITY



DEMAND IS SHIFTING

Traditional sectors under pressure;
niche growth areas emerging



CLIMATE AND GEOPOLITICS

Now business-critical, not just
background noise



SUSTAINABILITY AND REGULATION

From trend to threshold;
compliance defines competitiveness



INNOVATION IS KEY

Moving from bulk commodity to
tailored, high-value solutions

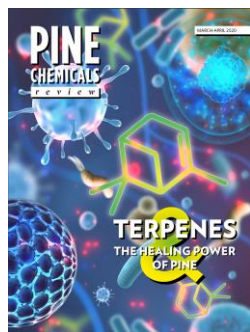
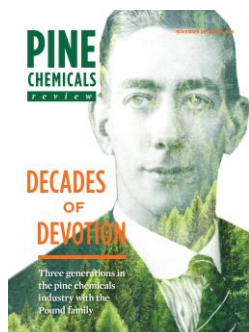
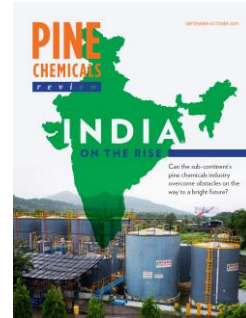
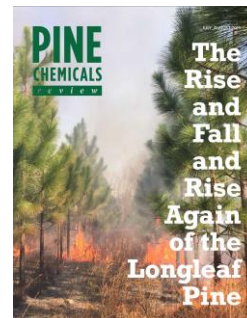
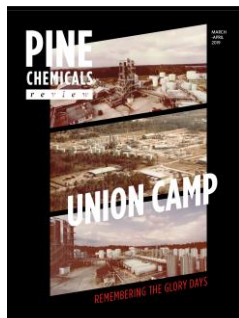
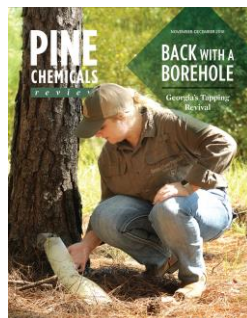
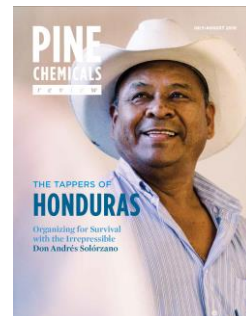
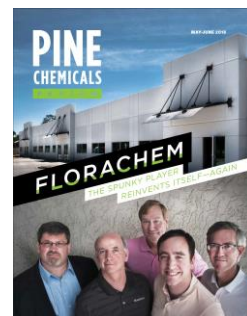
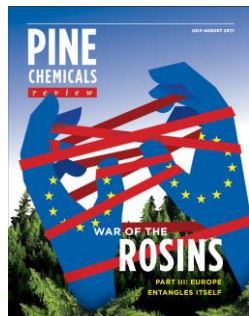
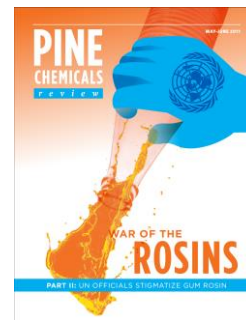
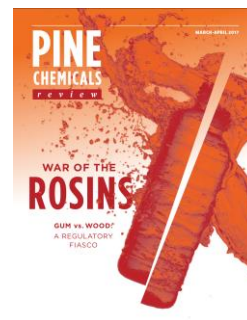
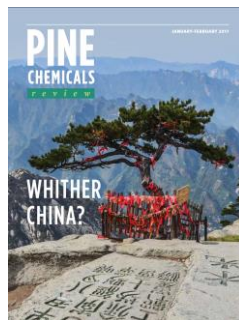
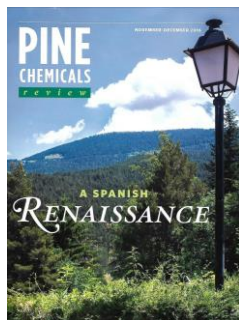


RESILIENCE IS STRATEGIC

Future-proofing through
diversification, agility, and
ESG alignment

- ▶ Industry is transforming — not shrinking
- ▶ Strategic adaptation and collaboration are the differentiators of the future
- ▶ Let's shape this transition together, proactively and transparently

**"Let us not only navigate complexity —
let us lead through it."**



THANK YOU!!

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