

Understanding pulp price types and what they measure



A GUIDE TO OUR KEY PULP PRICE TYPES AND PRICING TERMINOLOGY

Navigating the global pulp market requires precise language. When commercial teams and procurement professionals sit down to negotiate, a clear understanding of pulp pricing terminology is the foundation of a successful agreement. However, we often see confusion surrounding major pulp price types and exactly what each one measures.

Misunderstanding pulp price benchmark definitions creates unhelpful comparisons and negotiation friction. If you are discussing a net price while your counterpart is looking at an effective list price, you are comparing apples to oranges.

This guide clears up the confusion around pulp pricing terminology. We will break down the exact meaning of different pulp price types, clarify pulp list price vs effective list price, and show you how different metrics fit into the broader global commodity landscape.

The 5 major pulp price types defined

To avoid misinterpretations, you need to understand the five distinct pulp price types used across the global pulp value chain. Each serves a specific purpose and reflects a different stage of the buying cycle.

List price

The list price is the pulp producer's initial asking price. You can think of it as the starting point for contract negotiations. This figure sets the baseline expectation before any commercial realities, volumes, or relationship dynamics factor into the equation. It's a foundational piece of pulp pricing terminology, though these prices are typically reported via news services rather than acting as a final transaction metric.

Effective list price (Gross price)

So, what is effective list price pulp? The effective list price is the agreed-upon monthly contract baseline price before any discounts are applied. While it's a common term in North America, in Europe, this price is more commonly referred to as the gross price. This metric serves as the primary contract benchmark for pulp buyers and sellers, representing the foundation of contract pricing structures.

Here are some of our existing PIX prices:

- + FP-PLP-0037 PIX Pulp NBSK EUR
- + FP-PLP-0038 PIX Pulp BHKP EUR
- + FP-PLP-0039 PIX Pulp NBSK USD
- + FP-PLP-0040 PIX Pulp BHKP USD

Here are our existing US gross assessments:

- + FP-PLP-0013 Pulp, northern bleached softwood kraft, from Canada, delivered US East, \$/tonne
- + FP-PLP-0014 Pulp, southern bleached softwood kraft, from US, delivered US East, \$/tonne
- + FP-PLP-0015 Pulp, unbleached softwood kraft, from Canada/US, delivered US East, \$/tonne
- + FP-PLP-0016 Pulp, fluff (US southern kraft, untreated, rolls), delivered US East, \$/tonne
- + FP-PLP-0018 Pulp, bleached hardwood kraft, eucalyptus, delivered in place Brazil to US East, \$/tonne
- + FP-PLP-0026 Pulp, northern and southern mixed bleached hardwood kraft (Canadian/US), delivered US East, \$/tonne



Spot price

The pulp spot price meaning is straightforward: it is the price paid for uncommitted pulp with no long-term contract attached. The spot price reflects the net transaction price in the open market, meaning no further discounts apply to this figure.

Spot vs contract pulp prices often confuse market participants, but spot markets are vital for price discovery.

We recently launched new European spot assessments, including FP-PLP-0152 NBSK spot (DAP Europe) and FP-PLP-0153 BEK spot (FCA Europe), to provide better visibility.

These join our existing North American spot assessments:

- + FP-PLP-0023 pulp northern bleached softwood kraft (spot price), delivered US East, \$/tonne
- + FP-PLP-0024 Pulp, southern bleached softwood kraft (spot price), delivered US East, \$/tonne
- + FP-PLP-0027 Pulp, bleached hardwood kraft (spot price), delivered US East, \$/tonne.

Net price

The net price is the actual contract price you pay after all discounts are applied to the gross price. While the effective list price dominates North America and Europe, using the net price is the standard convention for market participants in China. We publish multiple net price pulp China assessments to reflect this regional market standard accurately. Note: While less common, negotiated net contract prices also exist in Europe.

Resale price

The resale price is another metric primarily used in China. It represents the exact price at which traders resell imported pulp to domestic buyers within the country. This provides visibility into the secondary domestic market and localized supply and demand dynamics.

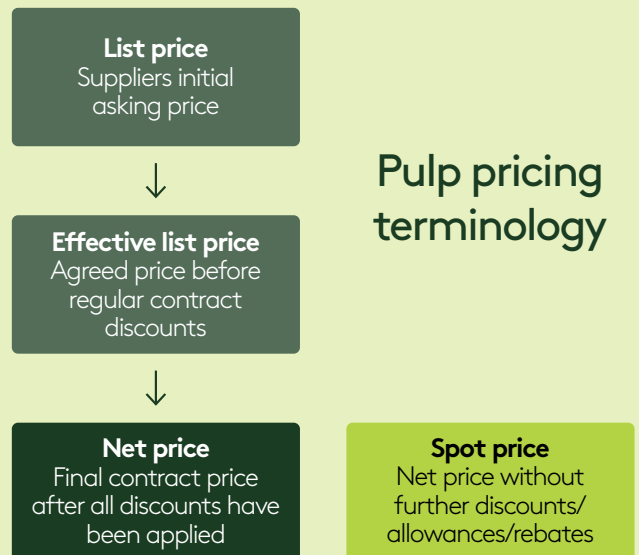
What each price type measures

Understanding definitions is only half the battle.

You also need to know how these pulp price types relate to one another in a pricing hierarchy. Comparing prices across different levels of this hierarchy leads to direct commercial misunderstandings.

When using Fastmarkets pulp prices for benchmarking, remember these critical distinctions in pulp pricing terminology:

- + Spot is not Gross: Spot includes no further discounts, whereas gross (effective list) is the baseline before discounts.
- + Net is not Spot: Net reflects a discounted contract price, while spot reflects uncommitted open-market tonnage.
- + Gross is not List: Gross is an agreed contract baseline, while list is simply an initial asking price.



By keeping these distinct measurements clear, you ensure your commercial conversations remain factual and grounded in the right data.

Why spot pricing is normal in commodity markets

Some pulp market participants view spot pricing with skepticism. However, spot pricing exists in all mature commodity markets. Pulp is simply catching up with global commodity norms, making spot a key term in modern pulp pricing terminology.

Look at how other major industries handle spot pricing:

- + **Crude Oil:** Brent and WTI crude oil represent a small fraction of the total global physical volume, yet they serve as the foundational global benchmarks for the entire energy sector.
- + **Iron Ore:** The iron ore market underwent a massive structural shift in 2008, moving away from annual benchmark negotiations toward spot indexation. This transition brought much-needed transparency to the steelmaking value chain.
- + **LNG:** Liquefied Natural Gas relies heavily on spot benchmarks like TTF in Europe and Henry Hub in the US. These serve as leading indicators for the broader natural gas market.
- + **Agriculture:** Agricultural commodity benchmarks use real, open-market spot transactions to help establish fair value.

Spot pricing provides the most immediate reflection of supply and demand. It is an essential tool that complements contract pricing, giving you a complete picture of market health.

How we assess pulp prices

Trust in benchmarks requires absolute transparency. Fastmarkets maintains rigorous methodologies to ensure every price reflects true market value, giving you confidence in the pulp price types we report.



Strict independence

We operate completely independent of market participants, ensuring our price assessments are free from commercial bias.



Rigorous methodology

Our pricing data is collected through active polling of buyers, sellers, and traders, adhering to strict, publicly available methodology guides.



Regulatory compliance

Our core benchmarks are governed by IOSCO principles and the EU Benchmarks Regulation (BMR), providing the highest level of auditability and trust.



Educational focus

Our role is to reflect the market, not advise it. We provide the data so you can make informed decisions.

Take the next step in your market strategy

Understanding the nuances between different pulp price types gives you a distinct advantage at the negotiation table. You can protect your margins and build stronger commercial relationships when you and your counterparts are fluent in the same pulp pricing terminology.

Ready to explore the data behind these definitions?

- + Discover the latest insights on our main pulp page.
- + Explore our comprehensive Fastmarkets pulp prices.
- + Review our detailed methodology guides to see exactly how we calculate every benchmark, including our PIX indices for Europe and China:
 - + PIX Pulp Europe
 - + PIX Pulp China

The pulp market is constantly moving. Are you prepared for price volatility? Hedge your risk and gain a competitive edge with our new spot-settled futures contracts for European pulp, listed on the NOREXCO exchange. It's the smarter way to manage risk in a fast-moving market.