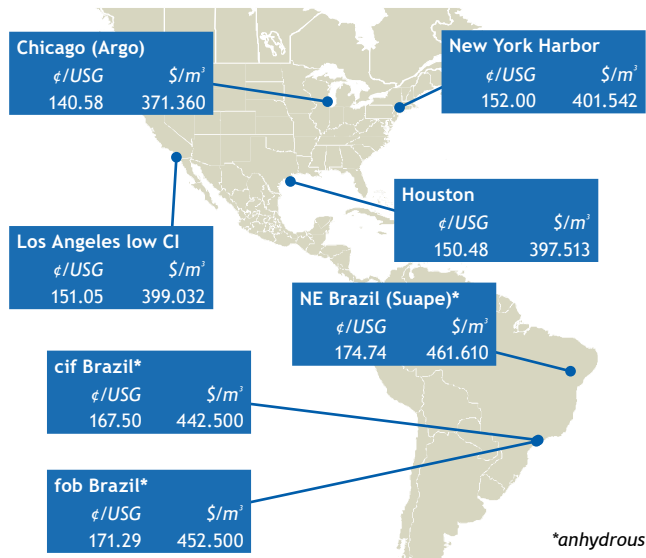


OVERVIEW

- US ethanol prices mostly firmed as market participants anticipated bullish production figures in the next session.
- RIN credit prices retreated amid muted market activity, pressuring the Argus Renewable Volume Obligation (RVO).
- US biodiesel premiums tracked weaker biomass-based diesel D4 RIN credits.

Americas ethanol prices



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PRICE SUMMARY

Ethanol	€/USG	±	\$/m ³	±
Chicago (Argo)	140.575	+2.475	371.360	+6.540
New York Harbor	152.000	+2.250	401.542	+5.940
fob Brazil anhydrous	171.290	+1.700	452.500	+4.500
Los Angeles low CI	151.050	nc	399.032	nc
Cbot ethanol	136.50	-1.400	360.595	-3.700

RINs	€/RIN	Timing	Price	±	Less 2019
Renewable fuel (ethanol D6)	2020	46.625	-1.000	+2.000	
Biomass-based diesel (D4)	2020	71.250	-1.250	nc	
Advanced biofuel (D5)	2020	70.500	-1.250	+0.250	
RVO €/USG	2020	6.38	-0.110	+0.590	

Biodiesel	Price	±
SME New York Harbor B100 €/USG	316.330	-0.650
SME Houston fob B100 €/USG	312.330	-0.650
SME Chicago fob B100 €/USG	319.830	-0.650
SME fob Argentina upriver \$/t	839.495	+7.270
Cbot soybean oil €/lb	33.12	+0.160

Biofuel spreads	Spread	±
Ethanol crush spread \$/bushel	+0.33	-0.05
Heating oil/soybean oil spread €/USG	-1.25	+0.03
Houston less Chicago ethanol €/USG	+9.900	-0.000
New York Harbor less Chicago ethanol €/USG	+11.425	-0.225
Los Angeles less Chicago ethanol €/USG	+10.475	-2.475
Los Angeles less Nebraska ethanol €/USG	+27.050	-0.000
Rule 11 less Nebraska ethanol €/USG	+18.000	-0.500

Key California carbon prices	Vintage	Price	±
Credits \$/t			
California carbon allowances (CCA)	2020	17.090	+0.070
Low-carbon fuel standard (LCFS)		195.000	+1.00
Price per gallon €/USG			
CCA price for regular Carbob	2020	13.660	+0.070
LCFS price for regular Carbob		18.540	+0.090

Ethanol deals done			
Market	Timing	Price ¢/USG	Volume '000 bl
Chicago Argo	6-16 Sep	140.40	5
	6-16 Sep	140.50	5
	6-16 Sep	140.50	5
	6-16 Sep	140.50	5
	6-16 Sep	140.50	5
	6-16 Sep	140.50	5
	6-16 Sep	140.50	5
	6-16 Sep	140.50	5
	6-16 Sep	140.50	5
Chicago Rule 11	1-5 Sep	142.00	4
	1-5 Sep	142.00	4

US ETHANOL

US ethanol prices mostly firmed as market participants anticipated bullish production figures in the next session.

Front-month CBOT corn futures rose by 1¢/bushel to 349.5¢/bushel, while December contracts rose by 0.25¢/bushel to 358¢/bushel.

Chicago Rule 11 railcars shipping this week traded consistently at 142¢/USG, decreasing by 0.5¢/USG.

Prompt in-tank transfers at Kinder Morgan's Argo terminal traded between 140.4¢/USG and 140.75¢/USG, strengthening by 2.47¢/USG to 140.6¢/USG. Participants said supply tightness in the region provided additional support to prices.

Front-month barges at New York Harbor were bid at 151.5¢/USG and offered at 152.5¢/USG, increasing by 2.25¢/USG to 152¢/USG.

Washington railcars shipping this week were bid at 157¢/USG and offered at 160¢/USG.

Ethanol			
	Low	High	±
Chicago			
Argo same-day ¢/USG	140.40	140.75	+2.48
Argo prompt ¢/USG	140.40	140.75	+2.48
Weighted average		140.50	
Argo any Sep ¢/USG	135.40	135.75	-2.52
Rule 11 prompt ¢/USG	141.75	142.25	-0.50
New York			
Any Sep ¢/USG	151.50	152.50	+2.25
US Gulf coast/south			
Houston ¢/USG	149.80	151.15	+2.47
Tampa ¢/USG	157.65	158.50	+2.48
Atlanta ¢/USG	148.65	150.50	+2.48
Dallas ¢/USG	144.80	147.15	+2.47
Nebraska			
Union Pacific ¢/USG	121.50	126.50	nc
Burlington Northern ¢/USG	121.50	126.50	nc
US west coast			
Los Angeles low CI ¢/USG	150.80	151.30	nc
Brazil			
fob anhydrous \$/m ³	447.00	458.00	+4.50
fob anhydrous BRL/m ³	2386.67	2445.40	-36.31
cif anhydrous \$/m ³	436.00	449.00	+1.00
cif anhydrous BRL/m ³	2327.93	2397.35	-54.13
Asia			
cfr Asia South Korea B grade \$/m ³	520.00	580.00	nc
Ethanol forward curves ¢/USG			
	Chicago, low-high	New York, low-high	
Month 1	135.40-135.75 Sep	151.50-152.50 Sep	
Month 2	131.90-132.25 Oct	146.25-147.25 Oct	
Month 3	128.90-129.25 Nov	143.25-144.25 Nov	
Month 4	127.65-128.00 Dec	141.00-142.00 Dec	
Related markets ¢/USG			
	Low	High	±
Nymex Rbob settlement, Oct		122.47	-5.14
Nymex Rbob crack spread, Oct \$/bl		+8.68	+0.31
Current month-to-date averages, Sep			
	Averages		
Chicago (Argo) prompt ¢/USG	140.58		
New York Harbor prompt ¢/USG	152.00		
Los Angeles low CI ¢/USG	151.05		
fob Brazil anhydrous \$/m ³	452.50		
cif Brazil anhydrous \$/m ³	442.50		

ANNOUNCEMENT

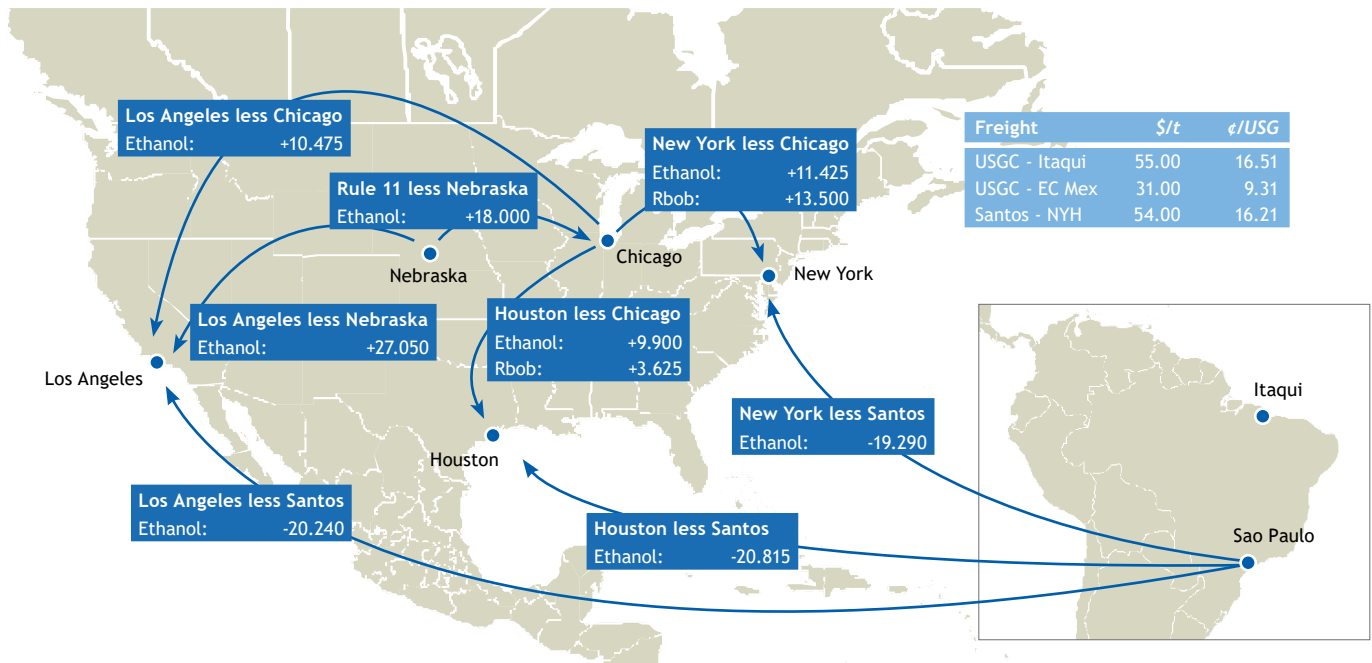
Argus successfully completes annual losco assurance review

Argus has completed the eighth external assurance review of its price benchmarks covering crude oil, products, LPG, petrochemicals, biofuels, thermal coal, coking coal, iron ore, steel, natural gas and biomass benchmarks. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group losco's Principles for Oil Price Reporting Agencies, and losco encourages extension of the reviews to non-oil benchmarks.

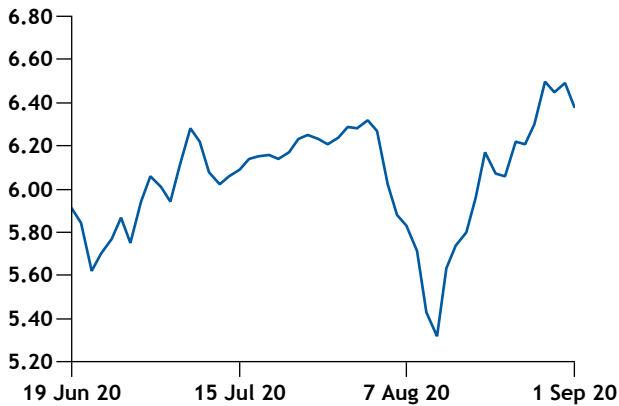
For more information and to download the review visit our website <https://www.argusmedia.com/en/about-us/governance-compliance>

ARGUS MARKET MAP: ETHANOL

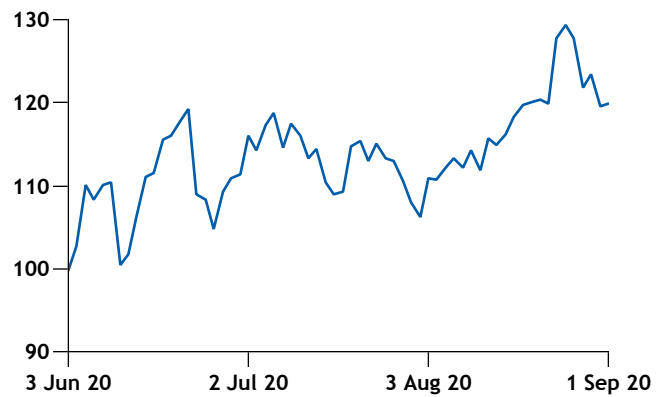
¢/USG



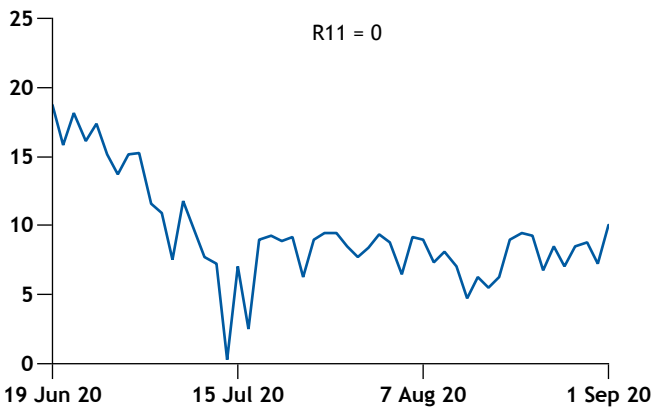
RVO (current year) ¢/USG



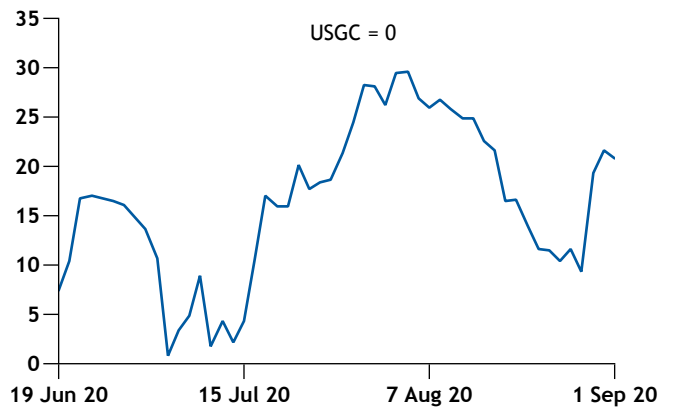
Gasoline regular CBOB Colonial pipeline ¢/USG



New York Harbor ethanol vs Rule 11 ¢/USG



Brazil anhydrous ethanol vs USGC ¢/USG



Tier 3 (CCO)	\$/mn USG credits		
	Low	High	±
Standard	500.00	650.00	nc

RINs deals done			
Market	Timing	Price €/RIN	Volume '000 RINs
Biodiesel	2020	70.50	1425
	2020	70.50	5000
	2020	71.00	1000
	2020	72.00	2000
Cellulosic	2020	150.00	250
	2020	150.00	1000
Ethanol	2020	46.25	500
	2020	46.50	500
	2020	46.50	1000
	2020	46.50	1500
	2020	46.50	1500
	2020	46.50	3500
	2020	47.00	2000

RINS

RIN credit prices retreated amid muted market activity, pressuring the Argus Renewable Volume Obligation (RVO).

The Argus RVO fell by 0.11¢/USG to 6.38¢/USG.

Current-year ethanol D6 RINs traded between 46.25¢/RIN and 47¢/RIN, falling by a penny to 46.65¢/RIN. Prior-year credits tracked current-year credits at a 2¢/RIN discount.

Biomass-based diesel D4 credits weakened by 1.25¢/RIN to 71.25¢/RIN as biodiesel production margins improved slightly on the day. Volumes traded hands between 70.5¢/RIN and 72¢/RIN. Prior-year credits remained flat to current-year credits.

Advanced biofuel D5 credits with 2020 vintage tracked same year D4 credits at a 0.75¢/RIN discount, while prior-year credits remained at a 1¢/RIN discount to D4 credits of the same vintage year.

Cellulosic biofuel D3 credits traded at least twice at 150¢/RIN, remaining unchanged. Prior-year credits continued to track current-year credits at a 1.75¢/RIN discount.

CALIFORNIA CARBON

California Carbon Allowances (CCAs) increased to their highest levels in weeks today in brisk trade.

RINs	€/RIN		
	Low	High	±
Renewable fuel (ethanol D6)			
2019	44.25	45.00	-1.00
Weighted average, 2020		46.58	
2020	46.25	47.00	-1.00
Biomass-based diesel (D4)			
2019	70.50	72.00	-1.25
2020	70.50	72.00	-1.25
Cellulosic biofuel (D3)			
2019	148.00	148.50	nc
2020	149.75	150.25	nc
Advanced biofuel (D5)			
2019	69.50	71.00	-1.25
2020	69.75	71.25	-1.25
Renewable Volume Obligation (RVO) €/USG			
2019		5.79	-0.11
2020		6.38	-0.11

RIN spreads	€/RIN			
	Today	±	Prior day	5-day avg
Category spreads, 2019				
Biodiesel D4-ethanol D6	26.625	-0.250	26.875	25.450
Biodiesel D4-advanced biofuel D5	1.000	nc	1.000	1.000
Advanced biofuel D5-ethanol D6	25.625	-0.250	25.875	24.450
Category spreads, 2020				
Biodiesel D4-ethanol D6	24.625	-0.250	24.875	23.450
Biodiesel D4-advanced biofuel D5	0.750	nc	0.750	0.750
Advanced biofuel D5-ethanol D6	23.875	-0.250	24.125	22.700
Vintage spreads, 2019-2020				
Biodiesel D4	0.000	nc	0.000	0.000
Advanced biofuel D5	-0.250	nc	-0.250	-0.250
Ethanol D6	-2.000	nc	-2.000	-2.000

CCAs for September 2020 delivery rose by 8¢ to close at \$16.95/metric tonne, the highest level for the prompt-month contract since 26 May, after trading nine times for 625,000t.

CCAs for December delivery increased by 7¢ to \$17.09/t, the highest since 23 July, after trading 29 times for roughly 1.8mn t.

CCAs for December 2021 increased by 9¢ to end the day at \$17.76/t, after trading once for nearly 50,000t.

Since the end of May, CCAs have seen scant volatility, mostly trading rangebound in each session. The allowances saw significant volatility in March and April from the Covid-19 pandemic-induced decline in fuel demand, which weighed on allowances and LCFS credits.

Meanwhile, the California Air Resources Board (ARB) today invalidated nearly 4,900 California Carbon Offsets (CCOs) originally issued to a Wisconsin-based livestock methane capture project for failing to abide by program requirements.

ARB said it revoked 4,896 CCOs issued to the Central Sands Dairy project after determining it violated state water pollution standards for much of 2018.

California Low Carbon Fuel Standard (LCFS) credits rose today to their highest price in nearly a month as bids and offers climbed.

Liquidity remained sparse and no trades were heard in the session.

Prompt credits moved \$1 higher to close at \$195/metric tonne, their highest level since 5 August.

Third quarter 2020 credits also increased \$1 on the day to close at \$194/t.

Fourth quarter 2020 credits closed at \$195/t, an increase of \$1 over the previous session.

Credits for the remainder of 2020 were bid at \$194/t and offered at \$196/t. The bid-offer spread narrowed during the session to from \$4 to \$2, but no deals were heard.

First quarter 2021 credits also ended the day at \$195/t and rose by \$1 from the prior session.

Credit prices in the second half of 2021 are talked at a slight discount to the first half of the year.

In recent weeks, volatility and liquidity has been minimal.

Market participants are eyeing the news that Brazil has just dealt a blow to US ethanol producers by allowing a tariff-free quota for ethanol imports to lapse yesterday, although there are signs that the government could reinstate the quota if the US eases a sugar tariff that affects Brazil.

Now that the 750mn liter/year (12,924 b/d) quota has expired, all US ethanol shipments are subject to a 20pc common import tariff in Brazil.

Brazil's deliberative body on trade issues (Gecex) is scheduled to meet next on 16 September, but it could hold an extraordinary meeting sooner to discuss the tariff, a government source told *Argus*.

If any potential reciprocal tariff were instated, it could potentially hinder Brazilian ethanol imports into California, which would affect LCFS credit generation, traders said.

The typical carbon intensity (CI) score for sugarcane-based ethanol from Brazil is much lower than that for US corn-based ethanol, with the CI for Brazilian ethanol ranging from about 40-47g CO₂ per megajoule.

California carbon allowances (CCA)					\$/t
Vintage	Delivery	Bid	Ask	Price	±
2020	Sep 20	16.93	16.97	16.950	+0.080
2020	Dec 20	17.06	17.12	17.090	+0.070
2021	Dec 21	17.74	17.78	17.760	+0.090

CCA volume-weighted averages					\$/t
Vintage	Delivery	Low	High	VWA	MTD
2019-20	Dec 20	17.05	17.12	17.080	17.080
Vintage	Delivery	Trades	MTD	Volume	MTD
2019-20	Dec 20	29	29	1,780,000	1,780,000

CCA price for gasoline, diesel					¢/USG	
	Winter 1 Sep	±	Summer 1 Sep	±	Aug index	±
Regular Carbob	13.62	+0.06	13.66	+0.07	13.59	+0.02
Midgrade Carbob	13.62	+0.06	13.63	+0.07	13.56	+0.02
Premium Carbob	13.63	+0.06	13.60	+0.06	13.53	+0.02
Distillate ULSD			17.35	+0.08	17.26	+0.02

CO2 California carbon offsets, 28 Aug					\$/t
	Bid	Ask	Price	±	
Seller-guaranteed	13.20	13.50	13.35	-0.03	
3-year invalidation	12.80	13.10	12.95	-0.05	

California low-carbon fuel standard (LCFS) credits					\$/t
	Bid	Ask	Price	±	
LCFS	194.00	196.00	195.000	+1.000	
VWA	Trades	Volume	MTD		
LCFS	1.00	17,000	188.50		
Avg					
Aug index				192.06	

Oregon low-carbon fuel standard (LCFS) credits					\$/t
	Bid	Ask	Price	±	
LCFS	122.00	129.00	125.500	nc	

California LCFS cost for gasoline, diesel			¢/USG
Fuel	Price	±	
Carbob	18.54	+0.09	
Ultra low-sulfur diesel	19.74	+0.10	
Crude CI deficit Carbob	0.54	+0.01	
Crude CI deficit diesel	0.60	nc	

LCFS premium per carbon intensity point			¢/USG
	Price	±	
Ethanol	1.59	+0.01	
Biodiesel	2.46	+0.01	

California LCFS market biogas value			\$/mmBtu
	Natural gas	Biogas	
SoCal Citygates	4.649	27.825	
PG&E Citygates	5.424	28.600	

BRAZIL ETHANOL

Daily price indicators – hydrous ethanol				
1 Sep	Low	High	VWA	±
Ribeirao Preto ex-mill				
R/m ³	2241	2260	2250	20
\$/m ³	418	422	420	12
Paulinia del				
R/m ³	2302	2329	2313	22
\$/m ³	430	435	432	13
State of Sao Paulo ex-mill				
R/m ³	2241	2269	2252	22
\$/m ³	418	423	420	13
Total volume reported m ³			2740	

VWA = Volume Weighted Average

Brazilian waterborne markets reported gains, reflecting a stronger Brazilian real in relation to the US dollar.

The appreciation of the Brazilian real mostly affected quotes for Brazilian sugarcane anhydrous ethanol for export, which rose by \$4.5/m³, closing at \$447-458/m³ on a fob Santos basis.

Biweekly hydrous ex-mill price indicators				
	Low	High	VWA	±
Paraiba out-of-state, 14-27 Apr				
R/m ³	1,684	1,723	1,704	-46
Total volume reported m ³			0	
Pernambuco instate, 14-27 Apr				
R/m ³	1,680	1,750	1,710	-28
Total volume reported m ³			1,350	
Alagoas, 14-27 Apr				
R\$/m ³	1,590	1,610	1,600	-10
Total volume reported m ³			120	

Biweekly anhydrous ex-mill price indicators				
	Low	High	VWA	±
Paraiba, 14-27 Apr				
R/m ³	1,850	1,900	1,867	-3
Total volume reported m ³			270	
Pernambuco, 14-27 Apr				
R/m ³	1,940	1,960	1,950	-191
Total volume reported m ³			1,200	
Alagoas, 14-27 Apr				
R/m ³	1,831	1,984	1,908	-292
Total volume reported m ³			0	

Weekly price differentials with Ribeirao Preto				R/m ³
24-28 Aug	Low	High		±
Piracicaba ex-mill hydrous		+17	+19	nc
Pirassununga ex-mill hydrous		+27	+29	nc
Piracicaba ex-mill anhydrous		+17	+19	nc
Pirassununga ex-mill anhydrous		+27	+29	nc

Weekly and biweekly price indicators				
	Low	High	VWA	±
Center-South ex-mill hydrous, 24-28 Aug				
R/m ³	2107	2300	2219	83
\$/m ³	387	422	407	26
Total volume reported m ³			61430	
R/m ³ without tax			1822	73
Center-South ex-mill anhydrous, 24-28 Aug				
R/m ³	2071	2264	2113	81
\$/m ³	380	415	388	25
Total volume reported m ³			6000	
Term contract R/m ³	2131	2144		0
Term contract \$/m ³	391	393		25
Differential contract-spot %	10	10		0
Anhydrous-hydrous ethanol spread				
%		9		0
Betim del hydrous, 24-28 Aug				
R/m ³	2046	2330	2248	38
\$/m ³	375	428	412	18
Total volume reported m ³			19500	
Uberaba del hydrous, 24-28 Aug				
R/m ³	2128	2310	2229	76
\$/m ³	390	424	409	24
Total volume reported m ³			21415	
Suaape del hydrous, 25-31 Aug				
R/m ³	2186	2190	2187	85
\$/m ³	399	400	400	25
Total volume reported m ³			1120	
Suaape del anhydrous, 25-31 Aug				
R/m ³	2516	2536	2526	61
\$/m ³	460	463	462	22
Total volume reported m ³			300	
Sao Francisco do Conde del hydrous, 11-24 Aug				
R/m ³	1910	2153	2026	73
\$/m ³	341	384	362	1
Total volume reported m ³			3290	
Sao Francisco do Conde del anhydrous, 11-24 Aug				
R/m ³	2100	2332	2233	-23
\$/m ³	375	416	398	-18
Total volume reported m ³			3900	
Fortaleza del hydrous, 11-24 Aug				
R/m ³	2044	2121	2073	1
\$/m ³	365	378	370	-12
Total volume reported m ³			830	
Fortaleza del anhydrous, 11-24 Aug				
R/m ³	2387	2390	2389	-1
\$/m ³	426	426	398	-18
Total volume reported m ³			2500	

VWA = Volume Weighted Average

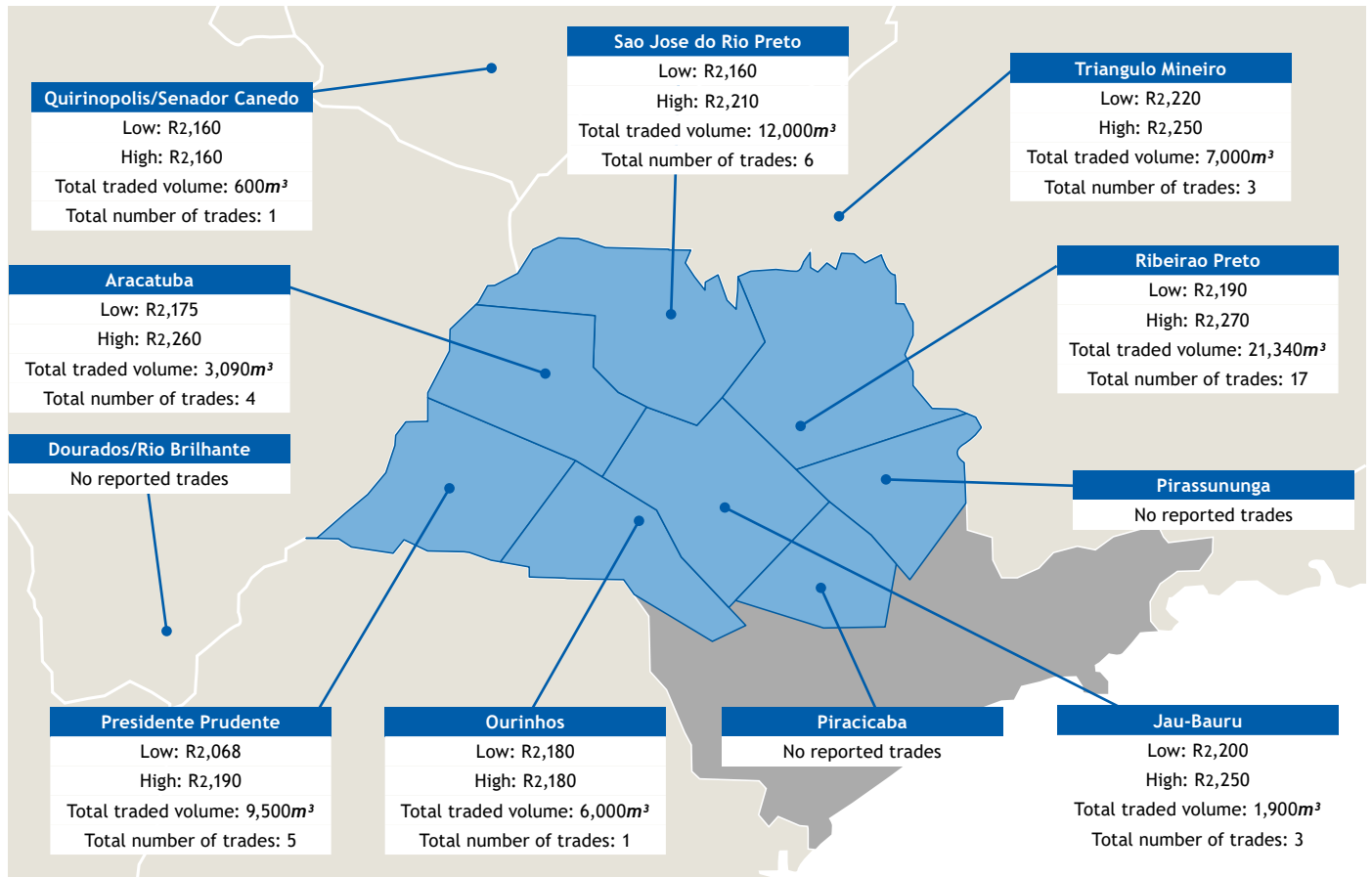
Truck freight prices to Bahia and Ceara							R/m ³
24-28 Aug	with taxes			without taxes			
	Low	High	±	Low	High	±	
Fortaleza							
Pernambuco	139.80	169.80	nc	123.01	149.41	nc	
Paraiba	120.80	157.80	nc	106.29	138.85	nc	
Bahia (north)	185.00	215.00	nc	162.78	189.18	nc	
Bahia (south)	325.00	362.00	nc	285.97	318.52	nc	
Goias	384.00	436.00	nc	337.88	383.63	nc	
Rio Grande do Norte	98.00	120.00	nc	86.23	105.59	nc	
Sao Francisco do Conde							
Bahia (north)	80.00	90.00	nc	70.39	79.19	nc	
Bahia (south)	130.00	150.00	nc	114.39	131.98	nc	
Alagoas	101.00	164.00	nc	88.87	144.30	nc	
Pernambuco	140.00	167.00	nc	123.19	146.94	nc	
Minas Gerais	192.00	274.00	nc	168.94	241.09	nc	
Goias	250.00	280.00	nc	219.97	246.37	nc	
Sao Paulo	182.00	261.80	nc	160.14	230.36	nc	

Weekly truck freight prices to Paulinia							R/m ³
24-28 Aug	with taxes			without taxes			
	Low	High	±	Low	High	±	
Sao Paulo							
Ribeirao Preto	60.17	61.53	nc	52.94	54.14	nc	
Aracatuba	90.13	93.54	nc	79.30	82.31	nc	
Presidente Prudente	97.52	101.37	nc	85.81	89.19	nc	
Ourinhos	89.11	92.52	nc	78.41	81.41	nc	
Jau-Bauru	63.57	65.16	nc	55.93	57.33	nc	
Sao Jose do Rio Preto	70.16	72.42	nc	61.73	63.72	nc	
Goias							
Quirinopolis/ Senador Canedo	150.00	180.00	nc	131.98	158.38	nc	
Mato Grosso do Sul							
Dourados/ Rio Brilhante	130.00	170.00	nc	114.39	149.58	nc	
Minas Gerais							
Triangulo Mineiro	106.69	115.58	nc	93.88	101.70	nc	

Truck freight prices Minas Gerais							R/m ³
24-28 Aug	with taxes			without taxes			
	Low	High	±	Low	High	±	
Betim							
Divinopolis	27.86	38.18	nc	24.51	33.59	nc	
Frutal-Araxa	109.19	111.46	nc	96.08	98.07	nc	
Ituiutaba	150.05	150.67	nc	132.03	132.57	nc	
Minas Oeste	177.92	179.57	nc	156.55	158.00	nc	
Passos	86.69	87.93	nc	76.28	77.37	nc	
Patos-Unai	119.09	133.13	nc	104.79	117.14	nc	
Ponte Nova	38.08	52.74	nc	33.51	46.41	nc	
Ribeirao Preto	79.88	110.53	nc	70.29	97.25	nc	
Senador Canedo/ Quirinopolis	112.28	155.42	nc	98.79	136.75	nc	
Teofilo Otoni	90.61	125.39	nc	79.73	110.33	nc	
Uberaba							
Divinopolis	77.19	100.10	nc	67.92	88.08	nc	
Frutal-Araxa	38.49	41.28	nc	33.87	36.32	nc	
Ituiutaba	53.25	69.14	nc	46.85	60.84	nc	
Minas Oeste	57.38	79.46	nc	50.49	69.92	nc	
Passos	52.01	68.11	nc	45.76	59.93	nc	
Patos-Unai	69.04	91.85	nc	60.75	80.82	nc	
Ponte Nova	104.64	144.79	nc	92.07	127.40	nc	
Ribeirao Preto	61.40	85.04	nc	54.03	74.83	nc	
Senador Canedo/ Quirinopolis	60.78	84.11	nc	53.48	74.01	nc	
Teofilo Otoni	145.51	201.45	nc	128.03	177.25	nc	

Truck freight prices to Suape							R/m ³
24-28 Aug	with taxes			without taxes			
	Low	High	±	Low	High	±	
Pernambuco	33.00	39.20	nc	29.04	34.49	nc	
Alagoas	63.00	67.00	nc	55.43	58.95	nc	
Paraiba	43.00	50.00	nc	37.84	43.99	nc	
Goias	370.00	400.00	nc	325.56	351.96	nc	
Minas Gerais	317.00	393.00	nc	278.93	345.80	nc	
Sao Paulo	336.00	397.00	nc	295.64	349.32	nc	
Bahia (north)	140.00	160.00	nc	123.19	140.78	nc	
Bahia (south)	297.00	318.00	nc	261.33	279.81	nc	

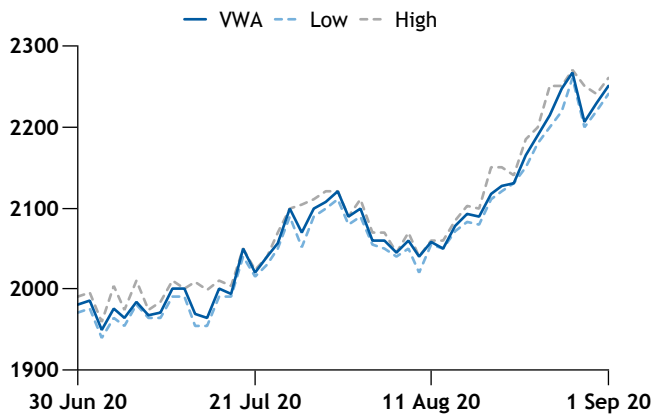
Weekly Center-South hydrous ethanol prices



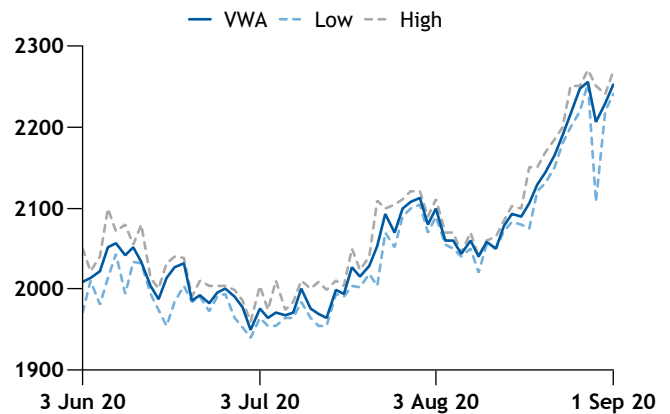
Imported ethanol quotes reported a modest gain of \$1/m³ to \$436-449/m³ on a cif Brazil basis amid a mixed Chicago ethanol spot market during the first half of the session.

In the Brazilian domestic market, hydrous ethanol quotes increased on stronger demand. Prices in the producer hub of Ribeirao Preto rose by R22/m³, closing at R2,252/m³.

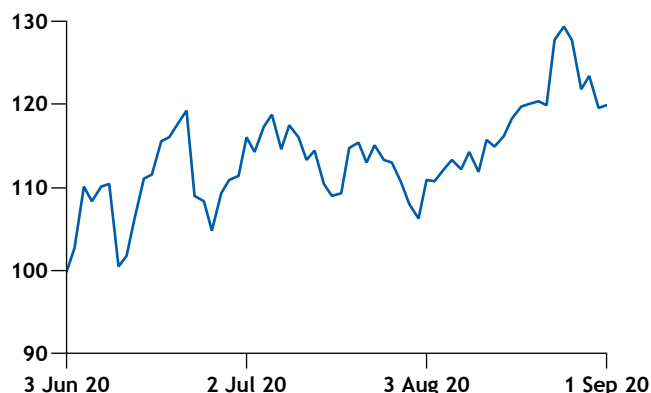
Hydrous ethanol ex-mill Ribeirao Preto inc tax R/m³



Hydrous Sao Paulo inc tax R/m³



Gasoline regular RBOB Colonial pipeline ¢/USG



BIODIESEL

US

US biodiesel premiums tracked weaker biomass-based diesel D4 RIN credits on Tuesday.

B100 biodiesel premiums fell by 2¢/USG across New York Harbor, Houston and Chicago markets, while B99 differentials held steady.

In New York Harbor, B99 was unchanged between Nymex -15¢/USG and Nymex -12¢/USG, while Houston product remained assessed between Nymex -20¢/USG and Nymex -15¢/USG. Chicago in-tank transfers remained valued between Nymex -12¢/USG and Nymex -8¢/USG.

Production margins as measured by the heating oil-soybean oil spread strengthened by 3¢/USG to -125¢/USG as gains in the front month Nymex ULSD contract outpaced stronger CBOT soybean oil futures.

Front month ULSD futures gained 3.47¢/USG to 123.08¢/USG, while soybean oil futures gained 0.16¢/lb to 33.12¢/lb.

Argentina

In Argentina, premiums for soybean oil cargoes and SME prices rose in an active session in the prompt market.

At least 10,000t exchanged hands on the September front at CBOT +1.70¢/lb, a 0.30¢/lb rise on the day. Paper markets in Chicago ticked up by 0.03¢/lb to 32.76¢/lb for October contracts. Premiums for deliveries between October-December increased by 0.18¢/lb to CBOT +1.70¢/lb.

Biodiesel markets edged higher as RED-certified product rose by \$7/t to \$839/t fob.

Biodiesel				
	Timing	Low/high diff	Low-high price	±
US B100				
SME NYH ¢/USG	Oct	+191.75/+194.75	314.83-317.83	-0.65
SME Houston fob ¢/USG	Oct	+186.75/+191.75	309.83-314.83	-0.65
SME Chicago rail ¢/USG	Oct	+194.75/+198.75	317.83-321.83	-0.65
US B99				
SME NYH ¢/USG	Oct	-15.00/-12.00	108.08-111.08	+1.35
SME Houston fob ¢/USG	Oct	-20.00/-15.00	103.08-108.08	+1.35
SME Chicago rail ¢/USG	Oct	-12.00/-8.00	111.08-115.08	+1.35
FAME San Francisco fob ¢/USG	Oct	-95.00/-90.00	28.08-33.08	+1.35
FAME Los Angeles fob ¢/USG	Oct	-95.00/-90.00	28.08-33.08	+1.35
Latin America				
fob upriver SME Argentina \$/t			837.29-841.70	+7.27

Renewable diesel ¢/USG		
	Low-high price	±
Los Angeles R99	155.17-160.17	+0.53
San Francisco R99	159.17-164.17	+1.53

50:50 split of retroactive blenders tax credit (BTC) ¢/USG	
	Credit
BTC	0.00

Related markets		
	Price	±
US		
Cbot soybean settlement, Sep ¢/bushel	955.00	+3.75
Cbot soybean meal settlement, Sep \$/t	302.80	-1.80
Nymex heating oil settlement, Oct ¢/USG	123.08	+3.47
Latin America		
Soybean oil Argentina diff to Cbot ¢/lb	+1.60/+1.80	+0.30
Soybean oil fob Paranagua* \$/t	802.00/818.00	+48.50
Soybean oil cif Sao Paulo with 12% ICMS* BRL/t	5,000.00/6,000.00	-460.00
Methanol cif Brazil* \$/t	331.00/334.00	nc
Glycerine cif China* \$/t	245.00/265.00	nc
Beef tallow cif Sao Paulo with 12% ICMS* BRL/t	5,200.00/5,400.00	+150.00

*assessment is as of 28 Aug

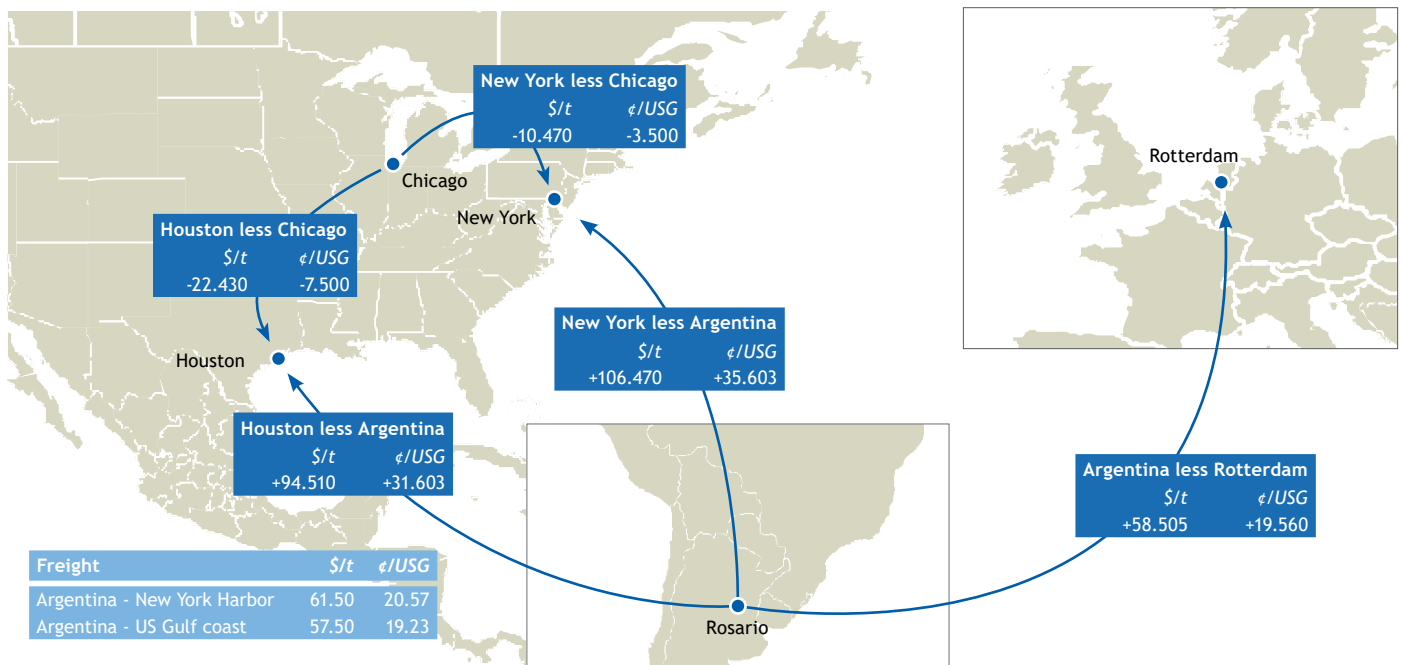
Current month-to-date averages, Sep	
	Averages
SME Houston fob B100 ¢/USG	312.33
SME Chicago fob B100 ¢/USG	319.83
SME fob Argentina upriver \$/t	839.50

Brazil ex-mill biodiesel prices per region				
	Mar-Apr	± Jan-Feb	Mar-Apr	± Jan-Feb
	BRL/m³	BRL/m³	\$/m³	\$/m³
North	3,180	-90	743	-49
Northeast	3,217	43	752	-17
Centre-West	2,969	-35	694	-34
Southeast	3,088	-30	722	-33
South	2,970	12	694	-22

\$/m³ values are calculated considering Thursday's exchange rate
Data last updated on 22 Apr

— ANP data

ARGUS MARKET MAP: BIODIESEL



LATEST NEWS

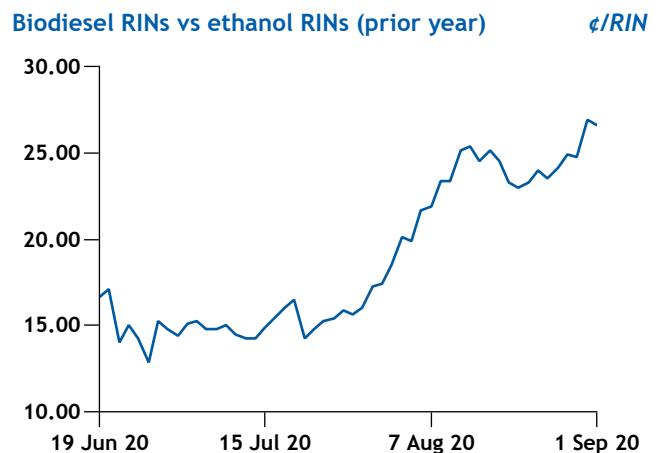
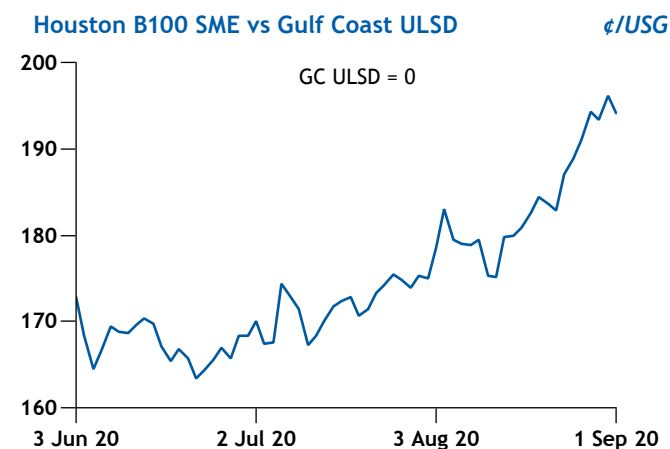
Brazil deals tariff blow to US ethanol

Brazil has dealt a blow to US ethanol producers by allowing a tariff-free quota for ethanol imports to lapse yesterday, but there are signs that the government could reinstate the quota if the US eases a sugar tariff that affects Brazil.

Now that the 750mn liter/year (12,924 b/d) quota has expired, all US ethanol shipments are subject to a 20pc common import tariff in Brazil.

Brazil's deliberative body on trade issues (Gecex) is scheduled to meet next on 16 September, but it could hold an extraordinary meeting sooner to discuss the tariff, a government source told *Argus*.

Without some concession from the US on its sugar tariff, Brazilian sugar and ethanol mills would unlikely sign off on reinstating the quota. Brazil's powerful milling industry heavily lobbied the government to let the quota expire. And without any US concessions on the sugar tariff, any reinstatement would likely provoke a backlash from Brazilian lawmakers,



RENEWABLE FEEDSTOCKS

Used cooking oil			
		¢/lb	
	Basis	Price	±
Iowa	fob truck	29.75-30.25	nc
Chicago	fob truck	30.75-31.25	nc
New York/New Jersey	del rail or truck	31.50-32.00	nc
Carolinas	fob truck	29.00-30.00	nc
Georgia	del truck	32.25-32.75	nc
US Gulf coast	del rail or truck	32.25-32.75	nc
Northern California	del truck	34.50-34.75	nc
Southern California	del truck	33.00-34.00	+0.25
California export	fob truck	31.00-32.00	nc

Tallow, bleached fancy			
		¢/lb	
	Basis	Price	±
Chicago	del rail	31.00-32.00	-0.50
Northern California	del rail	33.50-34.50	-0.50
Southern California	del rail	33.00-34.00	-0.50

Choice white grease			
		¢/lb	
	Basis	Price	±
Iowa	fob truck	26.00-27.00	nc
Carolinas	fob truck	23.50-24.50	nc

Poultry fat			
		¢/lb	
	Basis	Price	±
Georgia	fob truck	19.75-20.25	nc
Carolinas	fob truck	23.25-23.75	nc

Soybean oil, crude degummed				
			¢/lb	
	Basis	Price		±
Iowa	fob rail or truck	33.62-34.12		+0.16
Diff to CBOT soybean oil	Sep	+0.50/+1.00		nc
Carolinas	del truck	35.87-36.37		+0.16
Diff to CBOT soybean oil	Sep	+2.75/+3.25		nc
US Gulf coast	del rail	36.87-37.37		+0.16
Diff to CBOT soybean oil	Sep	+3.75/+4.25		nc
Northern California	del rail	35.00-36.00		nc
Diff to CBOT soybean oil	Sep	+1.88/+2.88		-0.16
Southern California	del rail	35.00-36.00		nc
Diff to CBOT soybean oil	Sep	+1.88/+2.88		-0.16

Yellow grease				
			¢/lb	
	Basis	Price		±
Iowa	fob truck	22.00-23.00		nc
Illinois	fob truck	21.50-22.50		nc
Carolinas	fob truck	23.50-24.00		nc
US Gulf coast	del rail	27.00-27.50		nc
Houston	fob truck	26.50-27.00		nc

Distiller's corn oil				
			¢/lb	
	Basis	Price		±
Iowa/Nebraska	fob truck	26.50-27.00		nc
Ohio/Indiana	fob truck	26.50-27.00		nc
Chicago	fob truck	27.00-28.00		nc
US Gulf coast	del rail	32.00-33.00		nc

LATEST NEWS

especially those from the northeast which draws most of the ethanol imports from the US.

Last year, the legislature forced the government to modify the terms of the tariff-free quota, after lawmakers threatened to pass a bill that would have overturned the quota.

In August, an official from the agriculture ministry affirmed Brazil would only be willing to eliminate its ethanol tariff if the US lifted its tariff on Brazilian sugar.

The trade row has created some [bilateral friction](#), despite Brazilian president Jair Bolsonaro's efforts to strengthen ties with US president Donald Trump's [administration](#).

The decision coincides with sinking Brazilian appetite for ethanol as a result of Covid-19 pandemic restrictions and an economic slump. Ethanol sales fell by 21pc year on year since the 2020-21 center-south harvest officially kicked off on 1 April.

During the first seven months of the year, Brazil imported 746.9mn l of US supply, down from 928.5mn l in the same period of 2019, according to the trade secretariat's import-export database Comexstat.

Brazil biodiesel price rises 33pc at auction

Brazilian fuel distributors purchased 1.19bn liters (122,601 b/d) of biodiesel at the 27 August auction held by oil regulator ANP to meet the mandatory 10pc blend mandate in diesel for September and October.

In the auction, the 75th conducted by ANP, the average price rose by 33pc to R5.043/l(376¢/USG) compared to the previous auction in June, ANP said today.

The auction's sales totaled R6bn (\$1.1bn), reflecting an average premium of 21pc when compared to the national average of the auction ceiling price. Demand for road fuels is

growing along with the gradual recovery of Brazil’s economy, resulting in low biodiesel inventories among fuel retailers, sources told *Argus*.

This auction was marked by legal disputes between the government and producers that resulted in the temporary reduction of the blend mandate from 12pc to 10pc, as occurred in the June auction. Brazil’s mines and energy ministry decided to reduce the mandate temporarily amid low supply of raw material for biodiesel mills.

Soybean oil inventories fell amid record soybean exports of the grain and strong demand from China, with Brazilian shipments reaching 69.75 million t from January to July.

According to the oil regulator, as the entire volume of biodiesel was negotiated in the auction stages for mandatory blending, no negotiations occurred for voluntary blending in diesel oil.

By *Alexandre Melo*

US B100 biodiesel production rose 6pc in June

B100 production in June rose by 6.3pc from a year earlier amid higher sales.

B100 biodiesel output in June was 151mn USG, 9mn USG more than the same month last year, according to data from the Energy Information Administration (EIA).

Output gains were led by the midcontinent, which rose by 10pc year-on-year to 107mn USG. The east coast was the only region to report losses compared with a year earlier, falling by 2mn USG to 5mn USG.

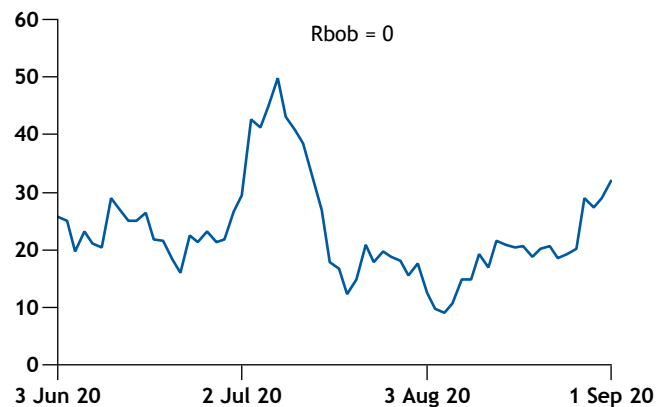
Total US production in the first half of the current year was tied with the same period of 2019 at 864mn USG.

Compared with the prior month, biodiesel production was lower by 1mn USG.

Futures			
	Timing	Settlement	±
CBOT ethanol ¢/USG			
	Sep	136.50	-1.40
	Oct	130.60	-1.40
	Nov	130.70	-1.40
	Dec	131.20	-1.40
CBOT corn ¢/bushel			
	Sep	349.50	+1.00
	Dec	358.00	+0.25
	Mar	367.75	+0.25
	May	374.50	+0.50
CBOT soybean oil ¢/lb			
	Sep	33.12	+0.16
	Oct	32.76	+0.03
	Dec	32.88	+0.02
	Jan	33.02	+0.02

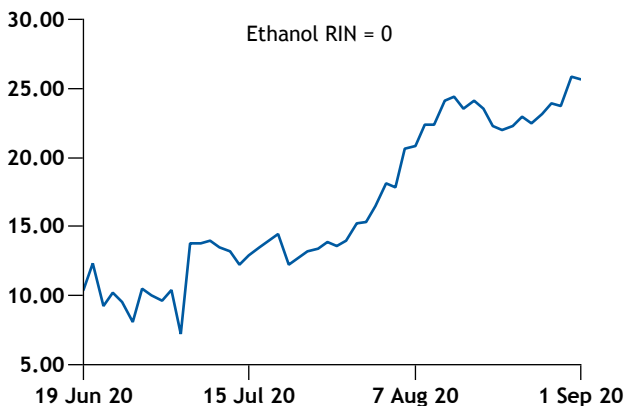
Gulf coast ethanol vs Colonial Rbob

¢/USG



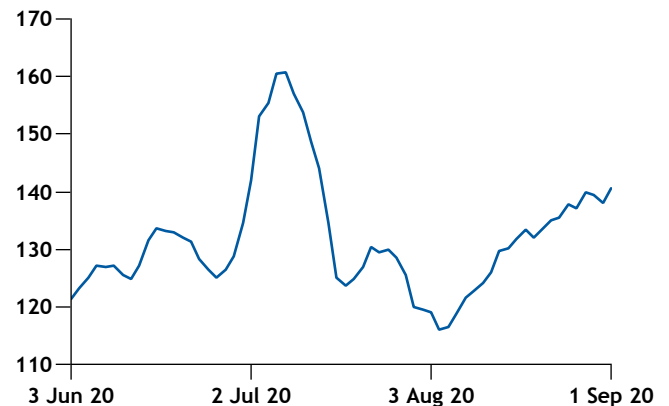
Advanced RINs vs ethanol RINs (prior year) ¢/RIN

¢/RIN



Chicago ethanol

¢/USG



Year-on-year, production capacity fell by 1.8pc to 2.51bn USG with 90 facilities operating. In June 2019, 96 plants were running with an annual capacity of 2.6bn USG.

Pure B100 sales rose in June from a year earlier by 10.8pc to 72mn USG. Sales of B100 included in biodiesel blends increased by 4.9pc to 85mn USG.

Cumulative straight B100 sales so far this year were 8.7pc higher at 387mn USG compared with the same period of 2019. B100 included in biodiesel blend sales were 6.2pc lower at 468mn USG compared with the first half of last year.

Ending stock estimates for B100 remained higher year-over-year by 18pc at 59mn USG, their lowest since April 2020.

According to the EIA, 1.1bn lbs of feedstocks were used to produce biodiesel in June. Soybean oil remained most-used feedstock at 747mn lbs used. Compared with June 2019, soybean oil usage was 26pc higher.

Canola oil was the second most-used feedstock in June 2020 at 110mn lbs, while corn oil was third at 94mn lbs

By Thom Dwyer

US retail fuel prices rise as storm passes

US retail gasoline and diesel prices ended August with their largest weekly increases since late June.

National average retail gasoline prices increased in the week ended yesterday by 4¢/USG to \$2.222/USG, their highest average since mid-March, according to the Energy Information Administration (EIA). It was the largest weekly increase in national average retail gasoline prices since 29 June.

A 6¢/USG increase to \$2.156/USG in the Atlantic coast – that region's largest weekly increase since 15 June – led the rise. Prices climbed higher in every region but the Rocky Mountains, where the average fell by 0.5¢/USG to \$2.345/USG.

Hurricane Laura idled or reduced rates at 16pc of US refining capacity in eastern Texas and western Louisiana before landfall late last week, raising concerns that the storm would interrupt Atlantic coast supplies for an extended period. Atlantic coast gasoline stockpiles fell below the five-year average in the week ended 21 August, ahead of the storm. But only about 4pc of capacity incurred major damage or extended outages, and a major fuel pipeline continue to supply product from the US Gulf coast to the Atlantic coast.

National average on-highway diesel prices increased by 1.5¢/USG to \$2.441/USG, the highest level since late April. A 2.1¢/USG increase to \$2.329/USG in the midcontinent led the rise.

By Elliott Blackburn

Argus Assessment Rationale Database

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Calcasieu Waterway reopens to small ships

The Calcasieu Waterway connecting the port of Lake Charles, Louisiana, to the Gulf of Mexico was reopened today to vessels with 30-foot drafts or less.

The waterway was closed on 26 August ahead of Hurricane Laura and remained closed to all vessel traffic because a storm-damaged drilling rig obstructing the channel. The rig was removed this morning, according to the US Coast Guard.

Vessels with drafts greater than 30 feet are still barred from the waterway because shifting silt and sediment caused by the storm altered the depth in various locations, according to the US Army Corps of Engineers. This means laden medium range tankers, which often carry refined products out of Lake Charles, are still unable to transit the waterway.

The Corps will survey the channel and may dredge to ensure it is safe for vessels with deeper drafts, the Coast Guard said.

No estimate was provided for when the Calcasieu Waterway would reopen to all traffic.

By Michael Connolly

Canadian court sets dates for carbon tax case

Canada's high court will hear provincial challenges to the federal government's carbon tax later this month.

The Supreme Court of Canada has set 22-23 September as when it will finally hear in-person arguments from the provinces of [Ontario](#) and [Saskatchewan](#), which are challenging the constitutionality of the federal carbon levy.

The court had originally scheduled the case for March but had to postpone the oral arguments twice as a result of the Covid-19 pandemic. The court last week set the new dates in

its schedule after [previously saying](#) it would hold the hearing sometime in September.

The two provinces are hoping to overturn lower court rulings last year that upheld the federal government's authority to impose the tax in separate challenges brought by the two governments. A court in Alberta [in February](#) ruled against the federal government.

The Canadian government led by prime minister Justin Trudeau last year began enforcing a C\$20/metric tonne (\$15.31/t) carbon levy on producers and distributors of gasoline, diesel fuel, natural gas, coal and other fossil fuels in provinces that it determined had not put forward sufficient carbon pricing plans. The tax, which this year rose to C\$30/t, now applies to five provinces, including Alberta, Ontario and Saskatchewan.

It is part of a two-pronged approach by the federal government that also includes a program to reduce greenhouse gas emissions from major industrial sources. The Canadian environment ministry is still working on the final details of the program, including the rules around the [types of carbon offsets](#) that can be used for compliance.

By Michael Ball

Canada canola crop forecast lower for 2020-21

Canadian canola production is forecast slightly down on last year, reflecting expectations for a smaller harvest area, according to Statistics Canada (StatCan).

Canada expects to produce 19.4mn t of canola during the July 2020-June 2021 harvest year, down by 0.5pc, StatCan said.

Canola is a vegetable oil produced from a variety of rapeseed. Canada is the largest exporter.

Production in Saskatchewan – the principal canola-producing province – is expected to fall by 4.2pc to 10.5mn t. The harvest area is expected to contract by 3.9pc, while yields are projected to decrease by 0.2pc to 41.1 bushels/acre.

With the fall in production expected to coincide with strong demand for Canadian canola exports this harvest year, carryover stocks are forecast to contract to around 1.5mn t by the end of June 2021 – the lowest since the end of the 2016-17 year, according to data from advisory firm Agritel.

Wheat forecast up

Canadian wheat production is expected to increase by 10.5pc to 35.7mn t, as a result of higher anticipated yields and harvest area.

In Saskatchewan, wheat production is expected to increase to 15.8mn t. The harvest area is expected to rise by 0.4pc, while yields are likely to increase by 3.8pc to 46.1 bushels/acre.

In Alberta and Manitoba, wheat production is expected to increase by 14pc and 4.2pc, respectively, to 11.7mn t and 5.2mn t. Yields in Alberta are expected to rise by 13.8pc to 59.5 bushels/acre.

By Andrew Kanyemba

Dry bulk rates rise on crop exports: Bimco

Dry bulk freight rates were pushed higher by increasing demand from agricultural commodities suppliers in the second quarter of the year, according to shipping association Bimco.

Dry bulk shipments of soybeans and maize products from the Americas rallied in the second quarter amid heightened demand, particularly from buyers in Asia, Bimco said. The rally followed a slow first quarter because of trade disruptions caused by the escalating Covid-19 pandemic.

Combined agricultural exports from the US, Argentina and Brazil totalled 148.6mn t over the whole of the first half of 2020, up by around 9pc on the same period last year, with most gains made during the second quarter, according to the shipping association.

In Brazil, strong soybean deliveries contributed to a 40pc increase in agricultural exports compared with the second quarter of 2019, while Argentina's wheat and coarse grains exports rallied to 2mn t and 1.6mn t for June alone respectively, with this wheat volume representing a 38pc year-on-year increase.

Heightened interest in long-haul agricultural commodities charters from the Americas – which increased by 22pc on the quarter – resulted in fewer vessels being available and increased competition and prices for the limited number of available ships.

Panamax and Handysize rates firmed by 100-160pc during the second quarter alone as a result – from around \$5,000/d at the end of May to around \$10,000-13,000/d by 26 August.

Into the third quarter, rates may be further supported by upcoming campaigns for soybeans and maize, which will get under way in the Americas for the new marketing year. But continuing geopolitical tensions between the US and China may curb overall deliveries, with Brazil continuing to take a greater share of the soybean market instead.

By Andrew Kanyemba

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