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Argus Biofuels

Daily international market prices and commentary

Issue 22-60 | Monday 28 March 2022

HIGHLIGHTS

- Gasoil losses pull spot biodiesel outrights lower in ARA
- T2 spot ethanol fob ARA range prices continue to firm
- Asia-Pacific biofuels: Sellers eye EU mandate comments
- *Argus* BGME fob China assessment launched
- UCO, brown grease dap, Premium UCO fob China also launch

MARKET COMMENTARY

NWE prompt biodiesel prices decline

Despite a rise in premiums for crop-based biodiesel, outright prices for all grades fell on Monday amid a close to 6pc fall in the underlying gasoil contract and waning physical demand for prompt loading.

The 7-28 day underlying gasoil contract fell by $66.36/t to $1,090.89/t, weighing on all outright assessments. Ice gasoil futures and Ice Brent futures fell today along with gasoil's margin to crude.

The only biodiesel grade to change hands on *Argus* Open Markets (AOM) was Fame 0, with trade initiated twice at $790/t and $775/t. The trade at $775/t was below the prevailing best bid of $780/t in place at the time.

Spot value was assessed at $785/t, the volume weighted average of the trade at $790/t and the bid of $780/t at the time of the second trade. This was up by $46.25/t. But the fall in underlying gasoil weighed on the outright price, which was assessed at $1,876/t, down by $20/t.

For RME, no trade was initiated for a fifth consecutive session, and the window closed with a sole offer of $1,250/t and no bid. Spot value was assessed at $1,085/t, the sum of Monday's Fame 0 assessment and Friday's RME/Fame 0 spread of $300/t.

Demand for crop-based biodiesel in the wider market dipped, with firm feedstock and production costs keeping most offers steady.

For wastes, Ucome closed without trade in a bid-offer spread of $950-1,000/t. Spot value was left unchanged at $995/t. Outright Ucome was assessed at $2,085.89/t, down

CONTENTS

European biodiesel	1
Feedstocks and European ethanol	3
Asia-Pacific biofuels and Freight	4
US biofuels and month to date averages	6
Market news	7

PRICES

Biofuels spot prices			$/t
	Bid	Ask	±
RED biodiesel			
Palm OME fob ARA range	1,811.00	1,821.00	-20.00
Rapeseed OME fob ARA range	2,171.00	2,181.00	-20.00
Soya OME fob ARA range	1,896.00	1,906.00	-20.00
FAME 0°C CFPP fob ARA range	1,871.00	1,881.00	-20.00
FAME -10°C CFPP fob ARA range	2,141.00	2,151.00	-20.00
UCOME fob ARA range	2,080.89	2,090.89	-66.36
Tallow OME fob ARA range	2,020.89	2,030.89	-66.36
Advanced FAME 0°C CFPP fob ARA range	2,185.89	2,195.89	-71.36
RED hydrotreated vegetable oil (HVO)			
HVO fob ARA range (Class I) diff to 7-28 days Ice gasoil* $/m^3$ (25 Mar)	+1,200.00	+1,210.00	nc
HVO fob ARA range (Class I) diff to 7-28 days Ice gasoil* (25 Mar)	+1,538.46	+1,551.28	nc
HVO fob ARA range (Class I)	2,720.26	2,733.08	-71.89
HVO fob ARA range (Class II) diff to 7-28 days Ice gasoil* $/m^3$ (25 Mar)	+1,695.00	+1,705.00	nc
HVO fob ARA range (Class II) diff to 7-28 days Ice gasoil* (25 Mar)	+2,173.08	+2,185.90	nc
HVO fob ARA range (Class II)	3,354.88	3,367.70	-71.89
HVO fob ARA range (Class III) diff to 7-28 days Ice gasoil* $/m^3$ (25 Mar)	+1,355.00	+1,365.00	nc
HVO fob ARA range (Class III) diff to 7-28 days Ice gasoil* (25 Mar)	+1,737.18	+1,750.00	nc
HVO fob ARA range (Class III)	2,918.98	2,931.80	-71.89
**HVO-escalated*			
Sustainable aviation fuel (SAF)^			
SAF diff to HVO (Class II) fob ARA range $/m^3$ (25 Mar)	+204.64	+210.08	+5.22
SAF diff to HVO (Class II) fob ARA range (25 Mar)	+270.12	+277.30	+6.89
SAF diff to front month Ice gasoil (25 Mar)	+2,494.25	+2,514.25	nc
SAF fob ARA range	3,625.00	3,645.00	-65.00
^Hydrotreated Esters and Fatty Acids (HEFA-SPK)			
Bionaphtha			
Bionaphtha fob ARA range	3,500.00	3,510.00	-40.00
RED ethanol			
T2 premium ethanol fob ARA range inc duty €/m^3	1,145.00	1,155.00	+22.00
T2 premium ethanol fob ARA range inc duty	1,592.63	1,606.54	+28.71
T2 premium ethanol diff to Eurobob oxy	+523.88	+537.29	
T2 ethanol fob ARA range inc duty €/m^3	1,125.00	1,135.00	+22.00
T2 ethanol fob ARA range inc duty	1,564.81	1,578.72	+28.74
T2 ethanol diff to Eurobob oxy	+496.06	+509.47	
RED biomethanol			
Biomethanol fob ARA range	1,800.00	1,810.00	+20.00
Biomethanol fob ARA range diff to methanol	+1,377.48	+1,387.48	
Biomethanol cif UK	1,824.00	1,838.00	+20.00
ETBE			
ETBE fob Rotterdam (25 Mar)	1,484.75	1,485.25	+10.00
Diff to MTBE (25 Mar)		+320.00	

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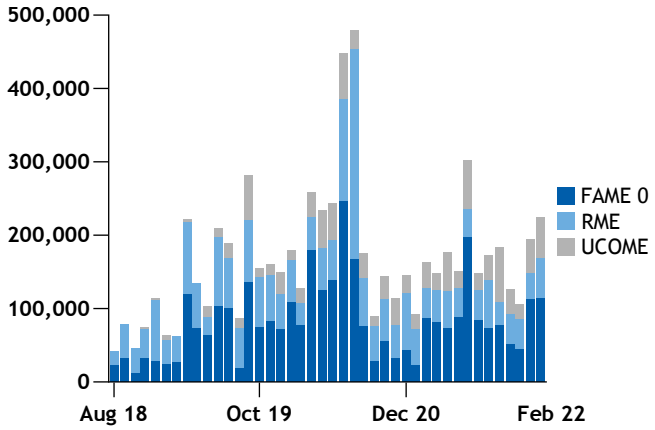
RED biodiesel fob ARA range, premium to Ice gasoil 7-28 day	
Transaction	**Price ($/t)**
FAME 0°C CFPP, loading 04 Apr 2022 - 25 Apr 2022 (1,000t)	
Envien Trading buys from Idemitsu International (Asia) Pte Ltd	+790.00
Shell sells to Petroineos	+775.00
Rapeseed OME, loading 04 Apr 2022 - 25 Apr 2022 (1,000t)	
No recorded deals	
UCOME, loading 04 Apr 2022 - 25 Apr 2022 (1,000t)	
No recorded deals	

by $66.36/t. In the wider market, advanced biodiesel was indicated at $30-35/t over Ucome premiums in the Mediterranean for product with a +10C CFPP, down by up to $15/t from indications heard last week for the region.

No offers were seen in the ARA region for 0C CFPP product amid a tight supply of feedstock. But the premium to Ucome was lowered by $5/t to $105/t. Outright advanced Fame 0 was assessed at $2,190.89/t, down by $71.36/t.

No paper trade was reported, with market participants reluctant to enter into new positions amid continued uncertainty about EU member state mandates, following the European Commission outlining support for countries that choose to lower blending mandates.

Total trade volumes RME, Fame 0, UCOME *t*



Ice gasoil swaps		$/t
	Value	**±**
7 to 28 days forward	1,090.89	-66.36
7 to 28 days forward (HVO-escalated)	1,181.80	-71.89

Rapeseed oil (RSO)				€/t
	Contract	**Bid**	**Ask**	**±**
RSO fob Dutch mill	prompt	1,985.00	1,995.00	nc
RSO fob Dutch mill	MJJ	1,920.00	1,930.00	nc
RSO fob Dutch mill	ASO	1,634.50	1,644.50	nc
RSO fob Dutch mill	NDJ	1,613.00	1,623.00	nc

Waste and advanced feedstocks			$/t
	Bid	**Ask**	**±**
Used cooking oil (UCO)			
UCO fob ARA range	1,675.00	1,685.00	nc
UCO cif ARA	1,625.00	1,635.00	nc
UCO ex-works Netherlands €/t	1,630.00	1,640.00	nc
UCO ex-works Netherlands	1,788.85	1,799.82	-2.17
Tallow categories 1 and 2			
Tallow fca northwest Europe €/t	1,195.00	1,205.00	nc
Tallow fca northwest Europe	1,311.46	1,322.43	-1.59
Palm oil mill effluent (POME)			
POME cif ARA	1,420.00	1,440.00	nc

Gasoil spreads			$/t
	Month	**Value**	**±**
Palm oil-gasoil spread (Pogo)	Jun	423.00	+40.00
Bean oil-gasoil spread (Bogo)	Jul	607.25	+5.25

Ice gasoil settle		$/t
Contract	**Value**	**±**
Apr	1,130.75	-65.00
May	1,061.00	-57.75
Jun	999.25	-48.25

ANNOUNCEMENT

The holiday calendar showing which Argus reports are not published on which days is now available online https://www.argusmedia.com/en/methodology/publishing-schedule

RED swaps and forward physical prices															$/t
	RME RED swap		Fame 0°C CFPP RED swap		UCOME RED swap		PME RED forward physical		SME RED forward physical		Fame -10°C CFPP RED forward physical		Ethanol NWE T2 RED swap €/m³		
Contract	**Mid**	**±**	**Mid**	**±**	**Mid**	**±**	**Mid**	**±**	**Mid**	**±**	**Mid**	**±**	**Mid**	**±**	
Apr	2,034.00	-26.00	1,794.00	-16.00	2,049.00	-36.00	1,739.00	-16.00	1,809.00	-16.00	2,010.00	-25.00	1,090.00	+10.00	
May	1,960.00	-12.00	1,715.00	+8.00	2,000.00	-2.00	1,660.00	+8.00	1,725.00	+8.00	1,936.00	-10.00	1,045.00	+5.00	
Jun	1,904.00	+5.00	1,644.00	+35.00	1,954.00	+50.00	1,584.00	+35.00	1,654.00	+35.00	1,878.00	+8.00	1,010.00	nc	
3Q 22	1,883.00	+8.00	1,583.00	+38.00	1,903.00	+63.00	1,523.00	+38.00	1,593.00	+38.00	1,853.00	+11.00	952.00	+9.00	
4Q 22	1,788.00	-1.00	1,473.00	+14.00	1,838.00	+4.00	1,398.00	+14.00	1,483.00	+14.00	1,757.00	+1.00	875.00	+5.00	
1Q 23	1,720.00	-22.00	1,395.00	-2.00	1,775.00	+18.00	1,315.00	-2.00	1,405.00	-2.00	1,688.00	-20.00	844.00	+4.00	

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Feedstocks

Fob Dutch mill rapeseed oil (RSO) prices moved sideways across the curve in a quiet opening session of the week, with interest wide and demand subdued amid uncertainty around biodiesel mandates in Europe, according to participants.

But prices remain near historic highs, buoyed by uncertainty around supply availability of rapeseed and sunflower seeds and oil in the coming months due to the conflict in Ukraine, the largest EU vegetable oils supplier.

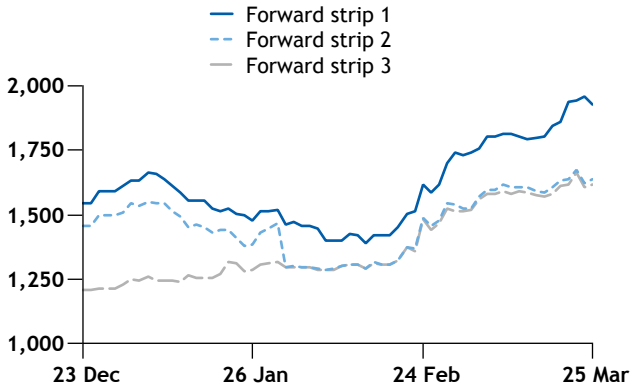
Ukrainian 2022-23 sunflower seed planted areas are forecast to fall by more than a third on the year, to an 11-year low, data from the country's agriculture ministry show.

April RSO was bid-offered at €1,950-2,030/t and the prompt RSO 5-40 days loading assessment was unchanged at €1,990/t. Interest for May-June-July (MJJ) was reported at €1,910-1,950/t, with the strip moving sideways at €1,925/t.

Bids and offers for August-September-October (ASO) and November-December-January (NDJ) emerged at €1,625-1,645/t and €1,610-1,630/t, leaving both strips unchanged on the session at €1,639.50/t and €1,618/t, respectively.

Further out, interest for February-March-April (FMA) was reported at €1,600-1,620/t.

RSO fob Dutch mill three-month strips €/t



European ethanol

European spot ethanol prices continued to make gains in the opening session of the week on the back of a single trade.

The fob ARA range deal closed at €1,130/m³ for 4-8 April loading dates. *Argus* set the assessment at this level, higher by €22/m³ on the session. The premium for minimum 85pc GHG savings ethanol remained at €20/m³.

On the lower GHG savings ethanol paper market, trade reported to *Argus* comprised July/September at +€55/m³ (€980/m³, €925/m³).

On intra EU freight, 3,500-4,000t of ethanol loaded between 16-18 March at La Coruna in Spain, before sailing for Tarragona, also in Spain.

German GHG reduction obligation*		€/t CO_2e
	Bid	Ask
Conventional GHG quota		
Compliance year 2021	450	465
Compliance year 2022	425	450
Advanced GHG quota		
Compliance year 2021	510	570
Compliance year 2022	700	960
Other GHG quota		
Compliance year 2021	460	470
Compliance year 2022	435	480

**Treibhausgasminderungsverpflichtung*

Netherlands renewable fuel unit*		€/GJ
	Bid	Ask
Conventional renewable fuel unit (HBE-C)		
Compliance year 2021	18.20	18.90
Compliance year 2022	17.00	18.00
Advanced renewable fuel unit (HBE-G)		
Compliance year 2021	18.40	19.10
Compliance year 2022	18.50	19.00
Other renewable fuel unit (HBE-O)		
Compliance year 2021	18.30	19.00
Compliance year 2022	18.35	18.90
Annex IX part B renewable fuel unit (HBE-IXB)		
Compliance year 2022	18.25	18.80

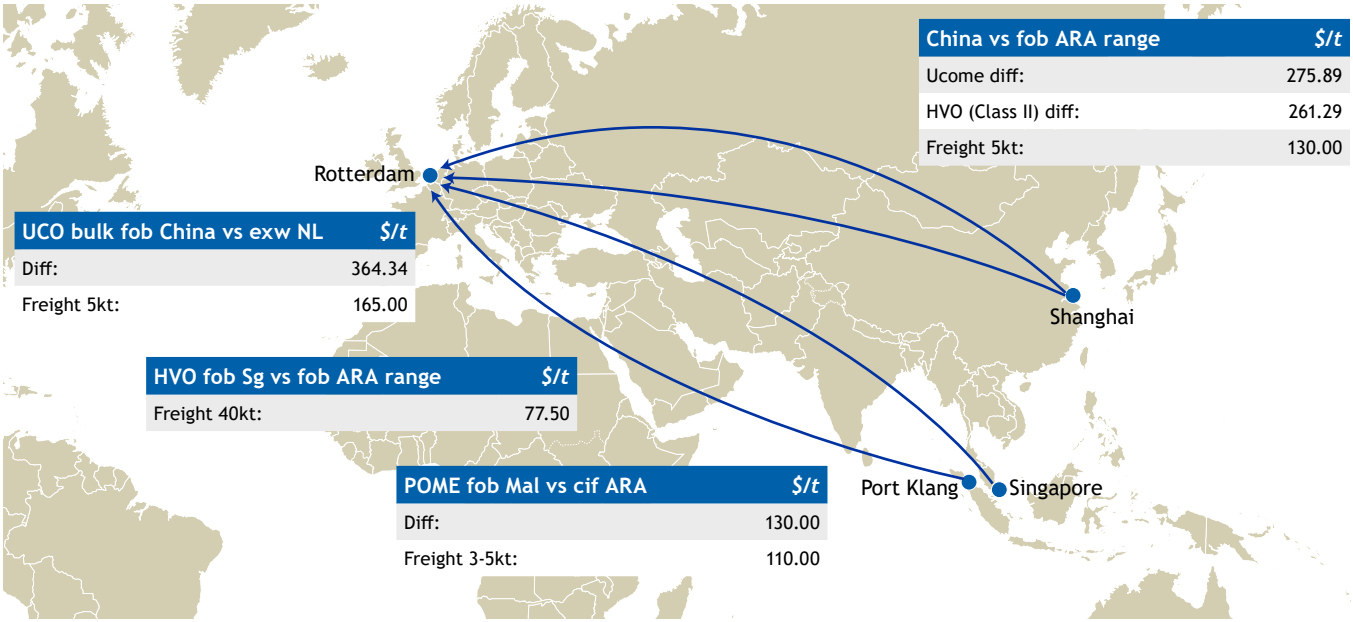
**Hernieuwbare brandstofeenheden*

UK renewable transport fuel certificate		p/RTFC
	Bid	Ask
Crop-based RTFC		
Compliance year 2021	37.50	38.50
Compliance year 2022	36.00	37.00
Other RTFC		
Compliance year 2021	37.50	38.50
Compliance year 2022	36.00	37.00

Renewable gas guarantees of origin (24 Mar)					
	Unit	Bid	Ask	Mid	±
Denmark crop					
2021	€/MWh	19.40	20.40	19.90	+3.90
2022	€/MWh	20.00	22.00	21.00	+3.90
2023	€/MWh	21.50	23.00	22.25	+3.50
Denmark waste					
2021	€/MWh	29.15	30.15	29.65	+3.10
2022	€/MWh	31.00	32.00	31.50	+3.10
2023	€/MWh	31.65	32.65	32.15	+3.10
UK crop					
2021	£/MWh	7.00	8.00	7.50	-0.35
2022	£/MWh	7.80	8.80	8.30	nc
2023	£/MWh	8.25	9.25	8.75	nc
UK waste					
2021	£/MWh	19.00	19.50	19.25	+2.00
2022	£/MWh	19.35	20.35	19.85	+2.05
2023	£/MWh	19.80	20.30	20.05	+2.15

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International biofuels / feedstock differentials and freight



Asia-Pacific biofuels

Traders suggested that the European Commission's comments on cutting crop-based biodiesel consumption in favour of food security, even as the Russia-Ukraine conflict drives up vegetable oil prices, could stimulate demand for used cooking oil (UCO) and palm oil mill effluent (Pome). But so far this has not been realised on the ground.

New discussions of biodiesel and feedstock cargoes were tempered as the Chinese branches of many international trading houses were located in Shanghai, where a new round of lockdowns has started from Monday. Loading at ports in east China remains restricted, but loading in north China was relatively normal, according to some traders.

Only one deal of 3,000t of UCO methyl ester (Ucome) that closed at $1,810/t fob China last week was reported today. A few offers were at $1,850-1,860/t fob, against most bids that kept at $1,750-1,770/t fob.

The cost pressure on domestic biodiesel producers has yet to ease as gutter oil was at 8,800-9,000 yuan/t ($1,384-$1,416/t) dap with value-added tax.

Some market players were bullish on UCO, especially the premium UCO market after Norway's proposal to update biofuel mandates. But no fresh bulk offers or bids were reported. High collection costs amid lockdowns in Hong Kong were also stifling flexitank UCO trade there.

Pome asking prices began at $1,350/t fob out of Malaysia and Indonesia. Palm oil costs had failed to stabilise, having swung higher by $400/t and then back down by $300/t since mid-February amid the Russia-Ukraine conflict. But erratic policy announcements from Jakarta have tempered

International biofuels spot prices			$/t
	Bid	Ask	±
RED biodiesel			
BGME fob China	1,835.00	1,900.00	nc
UCOME fob China	1,770.00	1,850.00	nc
PME fob Malaysia	1,350.00	1,820.00	-10.00
PME fob Indonesia	1,200.00	1,600.00	nc
Biodiesel			
PME ex-works Indonesia	1,195.00	1,199.00	-6.00
SME fob Argentina upriver (25 Mar)	1,472.27	1,520.76	+0.64
SME fob Houston B100 (25 Mar)	2,052.25	2,059.72	-125.49
SME fob Houston B100 (25 Mar) ¢/USG	686.37	688.87	-41.97
Ethanol			
fob Pakistan	1,050.00	1,070.00	nc
fob Pakistan (hydrous)	980.00	1,000.00	nc
cfr Mumbai	895.00	915.00	+5.00
cfr Philippines $/m³	735.00	755.00	+5.00
B-grade cfr northeast Asia $/m³	830.00	850.00	+25.00
cfr China	765.00	895.00	+2.50

RED hydrotreated vegetable oil (HVO)			$/t
	Bid	Ask	±
HVO fob China (25 Mar)	3,075.00	3,125.00	nc
HVO fob Singapore (Class I) netback	2,642.76	2,655.58	-71.89
HVO fob Singapore (Class II) netback	3,277.38	3,290.20	-71.89
HVO fob Singapore (Class III) netback	2,841.48	2,854.30	-71.89

Sustainable aviation fuel (SAF)* netback			$/t
	Bid	Ask	±
SAF fob Singapore	3,547.50	3,567.50	-65.00

**Hydrotreated Esters and Fatty Acids (HEFA-SPK)*

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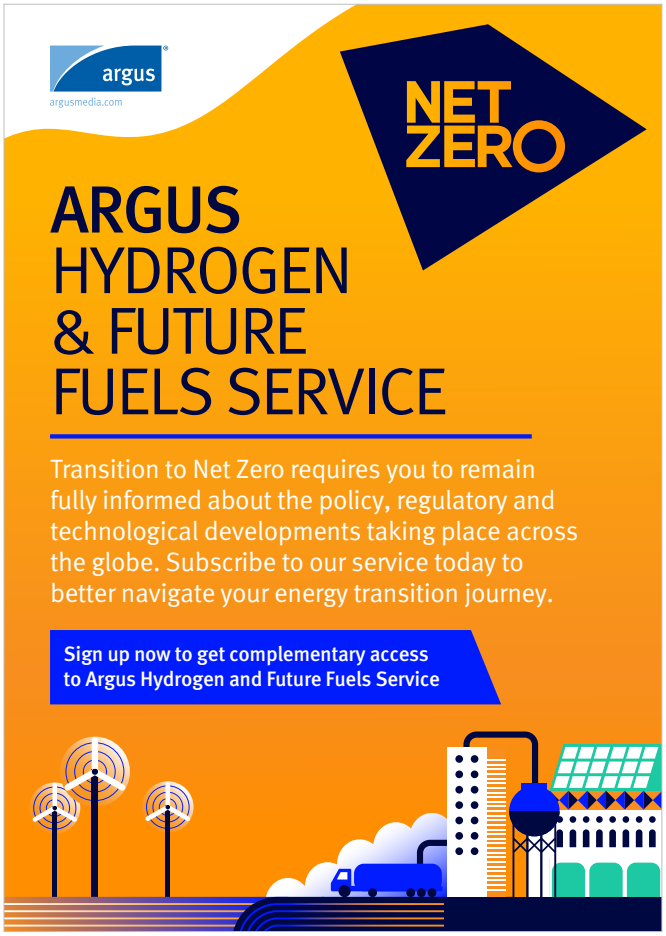
demand. Pome discussions into China were reported far beneath these numbers at $1,300/t cif China, or even as low as $1,140/t in one case but the volume and specification was unknown.

Thai and Vietnamese UCO offers moved up by $50/t since last week to $1,400/t fob for 65g/hg iodine value. But buyers were slow to follow again.

B-grade moved higher on the back of gains in Brazilian hydrous and a strengthening Real against the US dollar, with some offers heard up to $900/m³ cfr Ulsan, although no trades were confirmed at this level. Brazilian currency rose to as much as 4.74 per dollar, the highest since March 2020, and pushing its increase this year to over 16.5pc.

Some Asian buyers are waiting for Brazil's new crop to start to see if offers will ease. But there is some pressure to jump into discussions as mills are not expected to start cane processing until around 20 days later than normal after this season's climate challenges. This is in addition to the current uncertainty in global fuel and crop markets.

Other delivered prices rose slightly alongside higher US values. But no new inquiries emerged. Prompt trades for Pakistani ENA kept the assessment flat at $980-1,000/t fob Karachi in bulk.



Bionaphtha			$/t
	Bid	Ask	±
Bionaphtha cfr northeast Asia	3,075.00	3,125.00	nc

International feedstock spot prices			$/t
	Bid	Ask	±
RED feedstocks			
Brown grease dap China *CNY/t*	8,800.00	9,000.00	nc
Brown grease dap China	1,382.50	1,413.92	+0.49
UCO dap China *CNY/t*	9,800.00	10,000.00	nc
UCO dap China	1,539.60	1,571.02	+0.54
Premium UCO bulk fob China	1,450.00	1,470.00	nc
UCO bulk fob China	1,410.00	1,450.00	nc
Premium UCO diff to UCO bulk fob China		+30.00	
UCO fob China	1,400.00	1,410.00	nc
UCO fob Malaysia/Indonesia	1,340.00	1,380.00	nc
POME fob Malaysia/Indonesia	1,250.00	1,350.00	nc
Feedstocks			
Palm olein Malaysia/Indonesia fob			
Prompt	1,700.00	1,710.00	-15.00
May	1,580.00	1,590.00	-25.00
Jun	1,520.00	1,530.00	-25.00
Jul	1,480.00	1,490.00	-25.00
Arg SBO diff to CBOT 1st mth (25 Mar) ¢/*lb*	+2.00	+4.20	

Freight (25 Mar)			$/t
	Size '000t	$/t	±
Malaysia - ARA *			
Palm Oil	15-30	103.00	nc
PME	3-5	110.00	-5.00
Malaysia - West Med *			
Palm Oil	15-30	98.00	nc
PME	3-5	100.00	-5.00
Singapore - ARA			
HVO	40	77.50	-2.00
China - ARA			
UCO	5	165.00	-5.00
Ucome/HVO	5	130.00	-5.00
US - China			
Ethanol	40-50	46.00	-2.00

Reference prices			$/t
	Month	Settle	±
CBOT soybean oil futures (16:30 GMT)			
	May	1,601.22	-40.56
	Jul	1,559.11	-38.80
	Aug	1,509.73	-33.29
Malaysia palm oil futures			
	Apr	1,567.19	-2.73
	May	1,489.85	-3.98
	Jun	1,422.23	-8.35
	Bid	Ask	±
Glycerine fob SE Asia	**1,150.00**	**1,250.00**	**nc**

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US biofuels

D4 and D6 credits strengthened in the first half of the session as market activity remained thin following Friday's low activity.

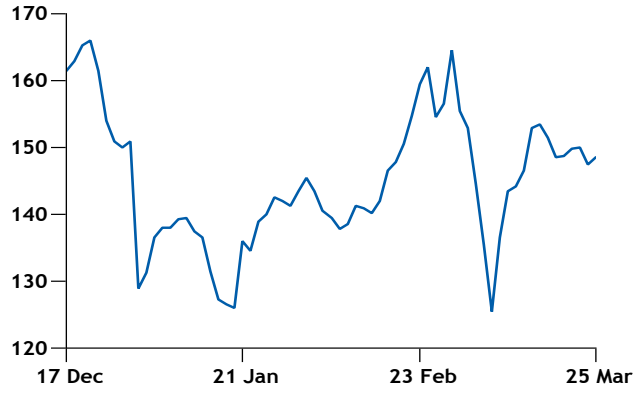
The *Argus* Renewable Volume Obligation rose by 0.23¢/USG to 15.74¢/USG. Current year ethanol D6 RIN credits were initially bid and offered at 115¢/RIN and 118¢/RIN, respectively. Value firmed by 2.25¢/RIN as trade surfaced at 118¢/RIN. Subsequent offers emerged at 118¢/RIN.

Biomass-based diesel D4 RIN credits for the current compliance year increased by 1.5¢/RIN based on transaction at 150¢/RIN. After the trade, offers were placed at 150¢/RIN. 2022 cellulosic biofuel D3 credits remained flat at 300¢/RIN as fresh bids resurfaced at 295¢/RIN.

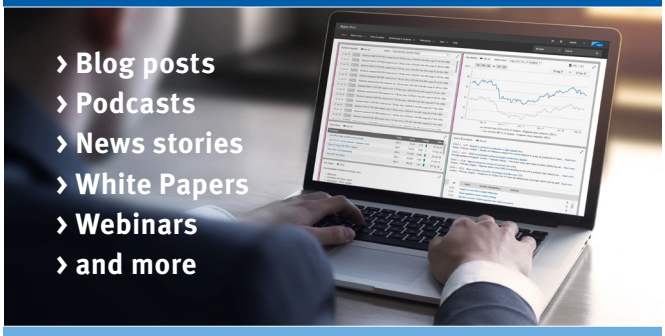
Spot ethanol prices fell in tandem with lower corn futures approaching midday. Chicago Rule 11 railcars with timing for the current week were bid at 245¢/USG and offered at 247¢/USG, retreating by 2.5¢/USG.

Prompt in-tank transfers at Kinder Morgan's Argo terminal were offered at 248¢/USG, ticking down by 0.5¢/USG to 247.15¢/USG. Front month barges at New York Harbor were unchanged. Washington railcars with timing for this week unwound by 4¢/USG to 256.5¢/USG with trade at that level.

RIN biomass-based diesel (D4) current year ¢/RIN



The Effects of Coronavirus on Markets



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Biodiesel spot price averages March to date		$/t
	Bid	Ask
RED		
Palm OME fob ARA range	1,833.35	1,843.35
Rapeseed OME fob ARA range	2,102.50	2,112.50
Soya OME fob ARA range	1,913.35	1,923.35
FAME 0°C CFPP fob ARA range	1,888.35	1,898.35
FAME -10°C CFPP fob ARA range	2,081.10	2,091.10
UCOME fob ARA range	2,111.97	2,121.97
Tallow OME fob ARA range	2,063.47	2,073.47
Advanced FAME 0°C CFPP fob ARA range	2,220.22	2,230.22
International		
RED Ucome fob China	1,759.00	1,825.50
RED PME fob Malaysia	1,420.50	1,878.75
RED PME fob Indonesia	1,276.00	1,564.25
SME fob Argentina (to 25 Mar)	1,425.39	1,453.33

HVO spot price averages March to date		$/t
	Bid	Ask
RED		
HVO fob ARA range (Class I)	2,657.23	2,670.05
HVO fob ARA range (Class II)	3,340.57	3,353.39
HVO fob ARA range (Class III)	2,904.67	2,917.49
International		
RED HVO fob China	na	na

Feedstocks spot price averages March to date		$/t
	Bid	Ask
RED		
RSO fob Dutch mill prompt €/t	1,909.95	1,918.75
UCO fob ARA range	1,675.00	1,685.00
UCO cif ARA	1,572.00	1,587.00
UCO ex-works Netherlands	1,713.13	1,725.24
Tallow (categories 1 and 2) fca northwest Europe	1,222.34	1,233.34
POME cif ARA	1,412.50	1,432.50
International		
RED premium bulk UCO fob China	1,425.00	1,452.00
RED bulk UCO fob China	1,378.00	1,419.00
RED POME fob Malaysia/Indonesia	1,262.50	1,356.00

Ethanol spot price averages March to date		$/t
	Bid	Ask
RED		
T2 premium ethanol fob ARA range inc duty €/m³	1,162.00	1,172.00
T2 premium ethanol fob ARA range inc duty	1,620.38	1,634.33
T2 premium ethanol diff to Eurobob oxy	+562.73	+576.18
T2 ethanol fob ARA range inc duty €/m³	1,140.50	1,150.50
T2 ethanol fob ARA range inc duty	1,590.39	1,604.34
T2 ethanol diff to Eurobob oxy	+532.74	+546.19
International		
fob Pakistan	1,026.50	1,054.50

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NEWS

Ukraine's sunseed areas to fall sharply in 2022-23

Ukrainian 2022-23 sunflower seed planted areas are forecast to fall by more than a third on the year to an 11-year low because of the Russia-Ukraine conflict, data from the country's agriculture ministry show.

About 2,200 hectares (ha) were sown with sunflower seeds on 23 March, with overall planted areas for the 2022-23 crop projected at 4.81mn ha, the ministry said. This is about 26pc, or 1.7mn ha, lower than in 2021-22 and the lowest since 2011-12.

The sharp drop follows as farmers are likely to be unable to plant large areas in the regions where hostilities are taking place, or which are temporarily not controlled by Ukraine — mainly in Zaporizhia, Kharkiv, Luhansk, Donetsk, Kherson, Sumy, Chernihiv and Kyiv regions, accounting for nearly 45pc of the country's overall sunflower seed areas.

Ukrainian farmers have also started soybean sowing, with 2,000ha planted on 23 March. The 2022-23 soybean acreages are projected at 1.04mn ha — down by 18.7pc from last year's 1.28mn ha and the lowest since 2011-12.

Around 1,600ha and 22,500ha were planted with spring rapeseed and spring wheat, respectively, on the reporting date. For the 2022-23 crop, spring rapeseed areas are forecast at 23,900ha, down from 33,600ha a year earlier, while spring wheat acreages could fall to 157,400ha, from 192,100ha in 2021-22.

Meanwhile, Ukraine's spring barley planting was 7pc complete, with 74,800ha having been sown on 23 March. The agriculture ministry has revised up its forecast for overall 2022-23 spring barley areas in Ukraine to almost 1.04mn ha from the 750,000ha projected earlier, which is still down by about 300,000ha from 2021-22.

And for winter crops, Ukrainian farmers last autumn planted 6.54mn ha with wheat, while barley and rapeseed acreages stand at 969,000ha and 1.4mn ha, respectively.

Aemetis to supply 17.5mn USG of blended SAF to Finnair

California-based renewable fuels producer Aemetis has agreed a seven-year deal to supply 17.5mn USG of blended sustainable aviation fuel (SAF) to Finland's Finnair from 2025.

The blended fuel to be supplied under this agreement will be 40pc SAF and 60pc fossil jet fuel. The biojet is expected to be produced at a renewable diesel and SAF plant under development in Riverbank, California.

Finnair is a member of the Oneworld alliance of airlines. Last year Aemetis signed a SAF offtake agreement with eight members of the alliance. Oneworld also recently entered into a five-year supply agreement for 200mn USG/yr of SAF with US renewable fuels producer Gevo.

By Giulia Squadrin

Government support key to scale up SAF supply: BA

UK flagship carrier British Airways said that further government support is needed to scale up the sustainable aviation fuel (SAF) market, with only around 0.04pc of the SAF needed to reach its emissions reduction goals available today.

The airline said it has taken steps last year to ensure future supply, including investing in SAF technology provider Lanzajet and agreeing to purchase SAF from its US plant from late 2022. BA is also partnering with UK-based sustainable fuels technology company Velocys to build a waste-to-SAF plant in Immingham, UK.

It entered a multi-year SAF supply agreement with US refiner Phillips 66 in December, when P66 said it would produce "thousands of tonnes" of co-processed SAF from waste feedstocks at its 230,000 b/d UK Humber refinery.

BA said today it has taken delivery of the first batch of biojet under the agreement.

The SAF is supplied to BA through the existing pipeline infrastructure that directly feeds several UK airports, including London Heathrow. "We were the first in the UK to co-process waste oils to produce renewable fuels and now we will be the first to produce SAF at scale. We're currently refining almost half a million litres of sustainable waste feedstocks a day, and this is just a start," the Humber refinery general manager Darren Cunningham said.

BA's parent company IAG has committed to fuelling 10pc of its flights with SAF by 2030 and BA aims to get to net zero emissions by 2050 or sooner. The UK government is consulting on a SAF mandate to start in 2025, proposing up to 10pc

ANNOUNCEMENT

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SAF by 2030 and up to 75pc by 2050. A total of 79 stakeholders, including airlines, airports, fuel producers and suppliers responded to the government's proposal, with the majority in favour of its introduction from 2025. The government is expected to publish its response to the consultation as well as a second consultation later this year.
By Giulia Squadrin

Five companies to assess SAF potential in India

Five companies have signed an initial agreement to conduct a joint study on sustainable aviation fuels (SAF) and their potential in India.

The five companies comprise airport operators Groupe ADP and GMR Airports, aircraft manufacturer Airbus, French engine maker Safran and biofuel technology and equipment company Axens.

The objective of the study is to understand and evaluate "the demand, the challenges and opportunities of supply, infrastructure and fuelling, as well as to prepare a business case for SAF production and use in India for all kind of aviation purposes."

It will also review the regulations in place in India and how they would need to evolve to permit SAF take-up, and the feasibility of implementing a pilot project in an appropriate location in India, which could be taken up in a second phase by the partners.

The study will begin in the second quarter of this year and will take around a year, although it may be extended based on the agreement of all the parties involved.

India has no SAF mandate, but projects are underway in the country. These include budget airline Indigo securing SAF from international suppliers and US producer Gevo exploring production capabilities with local technology provider Praj Industries.
By Giulia Squadrin

New US RD capacity drives veg oil demand: Panel

Growing demand for renewable feedstocks has brought new investments in soybean crush operations in the US, according to speakers at the 88th National Institute of Oilseed Products conference last week in Arizona.

Growing investment in renewable diesel projects has provided a favourable demand outlook for feedstocks like

Change to RED rapeseed OME fob ARA assessment

Following consultation, on 1 April 2022, the Argus RED rapeseed OME fob ARA price assessment will change to require rapeseed oil proof of sustainability for all trade, bids and offers considered for inclusion in the assessment.

Argus will make no change to the related RED Fame -10°C CFPP fob ARA range price assessment at this time. The assessment will remain a 90:10 average of the RED rapeseed OME fob ARA range and FAME 0°C CFPP fob ARA range assessments.

Argus will continue discussions with market participants about coverage of RME with mass balanced proof of sustainability, in light of the continued trade for the product.

Proposal to change SAF fob ARA range methodology

Argus proposes to change the way it assesses and publishes sustainable aviation fuel (SAF) fob ARA range prices to better align with the way the market trades. Under this proposal, *Argus* would assess SAF fob ARA range as a $/m³ premium to SAF-escalated 7-28 days Ice gasoil.

SAF typically trades in volumetric terms and is less dense than gasoil. Accordingly, *Argus* would adjust the prices of the underlying gasoil contract against which SAF is assessed to an assumed SAF-equivalent density of 0.76 kg/l. For the purpose of this escalation, *Argus* assumes Ice gasoil to have a density of 0.845 kg/l in a vacuum at 15°C.

The assessed $/m³ premium would also be converted into $/t for purposes of comparison. *Argus* would continue to publish SAF fob ARA range outright prices in $/t. This change would also affect the daily SAF fob Singapore netback price assessment.

At the same time, *Argus* proposes to discontinue its SAF fob ARA range differential to front-month Ice gasoil and HVO (Class II) fob ARA range prices.

Argus also proposes to formalise the expansion of information considered when publishing daily prices for HVO and SAF. While typically these prices are calculated as the weekly differential and the daily price of the underlying commodity, *Argus* will also consider a range of other market information in establishing those daily prices.

Argus will accept comments on this proposal until 8 April 2022. To discuss this proposal, please contact John Houghton-Brown at john.hbrown@argusmedia.com or +44 20 7780 4281. Formal comments should be marked as such and may be submitted by email to biofuels@argusmedia.com and received by 8 April 2022. Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.

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soybean oils and canola oils. The most used feedstock for biodiesel and renewable diesel (RD) production in December was soybean oil, according to the most recent Monthly Biofuels Capacity and Feedstocks Update from the Energy Information Administration (EIA).

Approximately $1bn in investments have poured into building new soybean crush and refining operations, speakers said at the conference.

There remains significant interest in planting soybeans, even when fertiliser prices have risen, as planters get compensated by higher commodity prices. Soybean crop reduction in South America and tighter edible oils supply on the back of the conflict in Ukraine has made way for stronger demand while fertiliser costs remain a concern for farmers.

Industry participants highlighted new opportunities on feedstocks offtake agreements as more renewable diesel capacity prepares to come on line.

Agriculture companies ADM and Bunge have signed joint soybean processing ventures with refiners such as Marathon Petroleum and Chevron, respectively.

Other agriculture companies including Cargill, Ag Processing and South Dakota Soybean Processors, have announced new soybean processing facilities, capturing demand in the biofuels industry.

New state policies on clean fuels can provide a boost to biofuels, speakers said. But one echoed the sentiment that federal programmes like the Renewable Fuel Standard (RFS) are less likely to be expanded and US Environmental Protection Agency's delay in finalising Renewable Volume Obligations (RVO) could pose challenges to the industry.

By Jamuna Gautam

Early biofuels market close on 14 April

Argus will publish its European and Asia-Pacific biofuels prices with early timestamps of 12:30pm London time and 12:30pm Singapore time, respectively, on 14 April, ahead of a public holiday on 15 April, because of a potential lack of physical market liquidity to underpin price assessments. The Argus Open Markets (AOM) assessment window will run from 12:00-12:30pm London time on 14 April. This includes the assessment window for RED HVO classes I, II and III, which usually opens once a week on a Friday.

For further details, please contact John Houghton-Brown at john.hbrown@argusmedia.com or +44 20 7780 4281, or Amandeep Parmar at amandeep.parmar@argusmedia.com or +65 6496 9825.

Extension of 2021 German biofuel quota assessment

Argus will assess prices for the German biofuel quota for the 2021 compliance year until 15 June 2022. This is in line with the extension by two months of the compliance deadline for the German 2021 GHG reduction mandate. The decision was made because of ongoing exceptional circumstances, according the Germany's customs office.

Argus Biofuels Outlook

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Argus successfully completes annual Iosco assurance review

Argus has completed the ninth 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 Iosco's Principles for Oil Price Reporting Agencies, and Iosco 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

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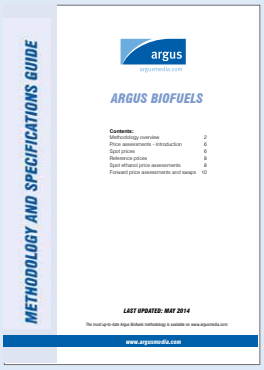
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For prices used in financial benchmarks, Argus publishes daily explanations of the assessment rationale with supporting data. This information is available to permissioned subscribers and other stakeholders. Subscribers to this report via Argus Direct or My Argus may access the database here. Other subscribers may request access here or contact us by email at sales@argusmedia.com.

Argus Biofuels Methodology

Argus uses a precise and transparent methodology to assess prices in all the markets it covers. The latest version of the Argus Biofuels Methodology can be found at: www.argusmedia.com/methodology.

For a hard copy, please email info@argusmedia.com, but please note that methodologies are updated frequently and for the latest version, you should visit the internet site.



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