

HIGHLIGHTS

- Biodiesel trade picks up, participants report 4Q demand
- T2 ethanol prices drop on fob ARA spot trade
- FDM RSO prices drop on slowing Chinese buying interest
- Austrian government consults on changes to biofuels law
- Asia-Pacific biofuels: CPO futures up on veg oil supply fears

MARKET COMMENTARY

NWE biodiesel trade rises amid tender activity

Amid reports that a large market participant was looking to source single-counted and double-counted biodiesel for the fourth quarter, trading activity on Argus Open Markets (AOM) for biodiesel loading on a prompt basis in the ARA region reached the highest level since early September.

A total of 21,000t of trade was initiated in the assessment window, the highest volume since 6 September and evenly split between Fame 0, RME and Ucome.

The underlying gasoil price fell by \$14.26/t, weighing on all assessed outright, with premiums for Fame 0 rising slightly and those for RME and Ucome falling.

Trade for Fame 0 was initiated seven times in a \$430-470/t range, with spot value assessed at the \$461.29/t traded average, firmer by \$1.29/t. Outright Fame 0 value fell by \$13/t to \$1,545/t.

Trade for RME was initiated seven times at \$595-625/t, with spot value assessed at the \$614.29/t traded average. This was softer by \$13.21/t and outright RME value fell by \$28/t to \$1,698/t.

And for Ucome, trade was initiated seven times at \$825-840/t and spot value was assessed at the \$833.57/t traded average. The premium lost by \$14.43/t and outright Ucome fell by \$28.69/t to \$1,917.45/t.

In the wider market, besides reports that a large market participant was looking to source biodiesel for the remainder of the fourth quarter, supply for RME – despite strong production margins since the end of August for larger pro-

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PRICES

Biofuels spot prices			\$/t
RED biodiesel fob ARA range			
	Bid	Ask	±
Palm OME	1,440.00	1,450.00	-13.00
Rapeseed OME	1,693.00	1,703.00	-28.00
Soya OME	1,600.00	1,610.00	-13.00
FAME 0°C CFPP	1,540.00	1,550.00	-13.00
FAME -10°C CFPP	1,678.00	1,688.00	-26.00
UCOME	1,912.45	1,922.45	-28.69
Tallow OME	1,812.45	1,822.45	-48.69
Advanced FAME 0°C CFPP	2,012.45	2,022.45	-28.69
RED marine biodiesel dob ARA range			
	Mid		±
B10	727.16		-0.25
B20	788.58		-4.50
B30	849.99		-8.75
B50	972.82		-17.25
B100	1,279.89		-38.50
RED hydrotreated vegetable oil (HVO) fob ARA range			
	Bid	Ask	±
HVO (Class I) diff to 7-28 days Ice gasoil* \$/m³ (14 Oct)	+1,030.00	+1,040.00	nc
HVO (Class I) diff to 7-28 days Ice gasoil* (14 Oct)	+1,320.51	+1,333.33	nc
HVO (Class I)	2,494.71	2,507.53	-15.45
HVO (Class II) diff to 7-28 days Ice gasoil* \$/m³ (14 Oct)	+1,345.00	+1,355.00	nc
HVO (Class II) diff to 7-28 days Ice gasoil* (14 Oct)	+1,724.36	+1,737.18	nc
HVO (Class II)	2,898.56	2,911.38	-15.45
HVO (Class III) diff to 7-28 days Ice gasoil* \$/m³ (14 Oct)	+1,285.00	+1,295.00	nc
HVO (Class III) diff to 7-28 days Ice gasoil* (14 Oct)	+1,647.44	+1,660.26	nc
HVO (Class III)	2,821.64	2,834.46	-15.45
*HVO-escalated			
Sustainable aviation fuel (SAF)^ fob ARA range			
	Bid	Ask	±
SAF diff to 7-28 days Ice gasoil* \$/m³ (14 Oct)	+1,690.00	+1,700.00	nc
SAF diff to 7-28 days Ice gasoil* (14 Oct)	+2,223.68	+2,236.84	nc
SAF	3,428.78	3,441.94	-15.86
^Hydrotreated Esters and Fatty Acids (HEFA-SPK)			
*SAF-escalated			
Bionaphtha fob ARA range			
	Bid	Ask	±
Bionaphtha	2,980.00	2,990.00	-10.00

RED biodiesel fob ARA range, premium to Ice gasoil 7-28 day	
Transaction	Price (\$/t)
FAME 0°C CFPP, loading 25 Oct 2022 - 15 Nov 2022 (1,000t)	
Astra Bioplant buys from Cargill	+470.00
Astra Bioplant buys from Cargill	+470.00
Petroineos buys from BP	+470.00
Astra Bioplant buys from BP	+469.00
Trafigura sells to Petroineos	+455.00
Trafigura sells to Astra Bioplant	+430.00
Astra Bioplant buys from Cargill	+465.00
Rapeseed OME, loading 25 Oct 2022 - 15 Nov 2022 (1,000t)	
Petroineos sells to Shell	+625.00
Petroineos sells to Cargill	+620.00
Petroineos sells to Shell	+625.00
Saipol sells to Shell	+620.00
Petroineos sells to Shell	+615.00
Petroineos sells to Shell	+600.00
Envien Trading sells to Cargill	+595.00
UCOME, loading 25 Oct 2022 - 15 Nov 2022 (1,000t)	
Petroineos buys from Shell	+840.00
Petroineos buys from Shell	+825.00
Trafigura buys from Shell	+830.00
Trafigura buys from Shell	+835.00
Petroineos buys from Shell	+835.00
Petroineos buys from Shell	+835.00
Petroineos buys from Shell	+835.00

ducers – was heard to be lower than supply for other grades of biodiesel in some European markets. Discounts to the fob ARA range price for RME for loading in Central Europe were heard at no more than \$20/t, compared with \$100/t a month ago, according to one market participant.

In paper trade reported to Argus, a 1Q RME/Fame 0 spread traded at +\$135/t (\$535/t, \$400/t) for 1,000t/month, a November Ucome/Fame 0 spread traded at +\$350/t (\$750/t, \$400/t) for 2,000t, and a November-December Ucome/Fame 0 spread dealt at +\$360/t (\$750/t, \$390/t) for 1,300t/month.

A November/December Ucome spread dealt at +\$20/t (\$770/t, \$750/t) for 1,000t.

November Fame 0 traded at \$400/t for 2,000t, November RME dealt at \$560/t for 6,000t, 4Q RME dealt at \$575/t for 1,000t/month and 1Q RME changed hands twice at \$540-545/t for a combined 5,000t/month.

Hydrotreated biofuels prices (volume)		\$/m ³	
	Bid	Ask	±
HVO fob ARA range (Class II)*	2,260.88	2,270.88	-12.05
SAF fob ARA range*	2,605.87	2,615.87	-12.06
Bionaphtha fob ARA range*	2,056.20	2,063.10	-6.90

*HVO, SAF and bionaphtha have assumed densities of 0.78kg/l, 0.76kg/l and 0.69kg/l respectively.

Ice gasoil swaps		\$/t	
	Value		±
7 to 28 days forward	1,083.88		-14.26
7 to 28 days forward (HVO-escalated)	1,174.20		-15.45
7 to 28 days forward (SAF-escalated)	1,205.10		-15.86

Ice gasoil settle		\$/t	
Contract	Value		±
Nov	1,105.00		-7.25
Dec	1,020.50		-16.50
Jan	989.75		-18.25

Biofuels spot prices		\$/t	
	Bid	Ask	±
RED ethanol fob ARA range			
T2 premium ethanol inc duty €/m ³	865.67	875.67	-22.83
T2 premium ethanol inc duty	1,077.88	1,090.33	-27.01
T2 premium ethanol diff to Eurobob oxy	+194.88	+206.83	
T2 ethanol inc duty €/m ³	830.67	840.67	-17.83
T2 ethanol inc duty	1,034.30	1,046.75	-20.85
T2 ethanol diff to Eurobob oxy	+151.30	+163.25	
RED biomethanol			
Biomethanol fob ARA range netback	1,296.00	1,304.00	nc
Biomethanol fob ARA range diff to methanol	+949.19	+959.19	
Biomethanol cif UK	1,330.00	1,340.00	nc
ETBE			
ETBE fob Rotterdam (17 Oct)	1,088.00	1,088.50	-2.50
Diff to MTBE (17 Oct)		+30.00	

Feedstock prices				
		Bid	Ask	±
Rapeseed oil (RSO)				€/t
	Contract			
RSO fob Dutch mill	prompt	1,345.00	1,355.00	-39.00
RSO fob Dutch mill	NDJ	1,335.00	1,345.00	-35.00
RSO fob Dutch mill	FMA	1,310.00	1,315.00	-25.00
RSO fob Dutch mill	MJJ	1,305.00	1,315.00	-30.00
Sunflower oil (SFO)				\$/t
SFO fob northwest Europe 6 ports	JFM	1,355.00	1,370.00	+7.50
Used cooking oil (UCO)				\$/t
UCO fob ARA range		1,185.00	1,195.00	nc
UCO cif ARA		1,055.00	1,065.00	nc
UCO ex-works Netherlands €/t		1,205.00	1,215.00	nc
UCO ex-works Netherlands		1,183.81	1,193.63	+1.52
Tallow fca northwest Europe				\$/t
Tallow categories 1 and 2 €/t		945.00	955.00	nc
Tallow categories 1 and 2		928.38	938.21	+1.19
Tallow category 3 €/t		1,325.00	1,335.00	nc
Tallow category 3		1,301.70	1,311.52	+1.67
Palm oil mill effluent (POME)				\$/t
POME cif ARA		1,035.00	1,045.00	nc

Feedstocks

Fob Dutch mill rapeseed oil (RSO) prices dropped across the curve on Tuesday, following sliding Euronext listed rapeseed futures.

Ukraine's rapeseed planting is completed at 998,900 hectares, which is above projected acreages. And 2023-24 areas could be even higher because farmers are expected to favour rapeseed given its comparative profitability with other crops.

Interest in October fell off in today's session, but November was bid-offered at €1,330-1,355/t. In the absence of spot trade, prompt RSO 5-40 days loading was assessed in line with November interest, at €1,345-1,355/t, falling by €39/t on the day.

China's buying interest for European RSO has softened which could be contributing to this downward price pressure, according to market participants.

But RSO is cheaper than sunflower oil (SFO), its main competitor in the food market. Interest in SFO 6-ports for January-February-March (JFM) was heard at \$1,355-1,370/t (€1,376-1,391/t).

November-December-January (NDJ) was bid and offered in a €1,320-1,345/t range and the strip was assessed in a €10/t range from the best offer at €1,335-1,345/t, dropping by €35/t on the session.

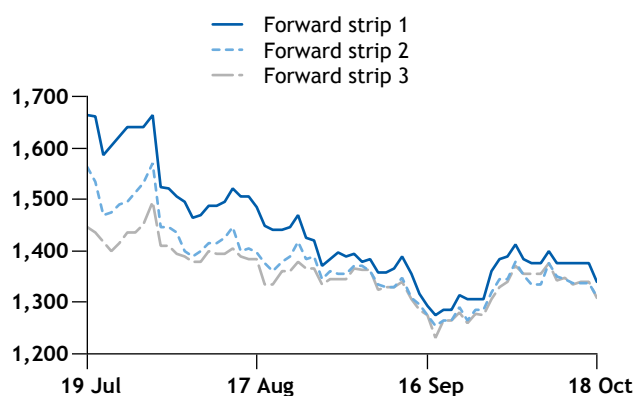
The February-March-April (FMA) contract changed hands at €1,310/t and €1,315/t. This informed the strip's assessment at €1,310-1,315/t, bringing the midpoint lower by €25/t on the session.

Interest in May-June-July (MJJ) was heard between €1,300-1,315/t. The strip was assessed in a €10/t range from the best offer in the market at €1,305-1,315/t, falling by €30/t from the previous day.

Further out, interest in August-September-October (ASO) was heard at parity with MJJ.

RSO fob Dutch mill three-month strips

€/t



Gasoil spreads		\$/t	
	Month	Value	±
Palm oil-gasoil spread (Pogo)	Jan	-126.50	+64.25
Bean oil-gasoil spread (Bogo)	Jan	458.75	+37.50

RED swaps and forward physical prices		\$/t	
Contract		Mid	±
RME RED swap			
Nov		1,623.00	-35.00
Dec		1,561.00	-44.00
Jan		1,522.00	-45.00
1Q 23		1,484.00	-55.00
2Q 23		1,442.00	-54.00
3Q 23		1,412.00	-55.00
Fame 0°C CFPP RED swap			
Nov		1,458.00	-15.00
Dec		1,401.00	-19.00
Jan		1,362.00	-20.00
1Q 23		1,344.00	-20.00
2Q 23		1,332.00	-19.00
3Q 23		1,301.00	-16.00
UCOME RED swap			
Nov		1,818.00	+5.00
Dec		1,751.00	+1.00
Jan		1,682.00	-20.00
1Q 23		1,644.00	-25.00
2Q 23		1,602.00	-29.00
3Q 23		1,571.00	-31.00
PME RED forward physical			
Nov		1,333.00	-15.00
Dec		1,276.00	-19.00
Jan		1,237.00	-20.00
1Q 23		1,244.00	-20.00
2Q 23		1,252.00	-19.00
3Q 23		1,221.00	-16.00
SME RED forward physical			
Nov		1,528.00	-15.00
Dec		1,471.00	-19.00
Jan		1,432.00	-20.00
1Q 23		1,404.00	-20.00
2Q 23		1,392.00	-19.00
3Q 23		1,361.00	-26.00
Fame -10°C CFPP RED forward physical			
Nov		1,607.00	-33.00
Dec		1,545.00	-42.00
Jan		1,506.00	-43.00
1Q 23		1,470.00	-52.00
2Q 23		1,431.00	-51.00
3Q 23		1,401.00	-51.00
Ethanol NWE T2 RED swap €/m³			
Nov		888.00	-47.00
Dec		928.00	-32.00
Jan		961.00	-27.00
1Q 23		982.00	-22.00
2Q 23		1,015.00	-16.00
3Q 23		1,014.00	-13.00

European ethanol

European spot ethanol prices fell as selling interest continued to move lower in the ARA hub, while the premium for higher GHG savings product narrowed.

T2 ethanol fob ARA range changed hands three times on Tuesday afternoon, twice at €834/m³ for 21-25 October loading and once at €839/m³ for later 25-29 October dates. At the close of interest bids remained at €805/m³ for 21-25 October and at €804/m³ for 25-29 October loading while three offers remained all for 25-29 October dates at €860/m³, €927/m³ and €930/m³. The assessment was set at €835.67/m³, the midpoint of the three deals, and lower by €17.83/m³ on the session.

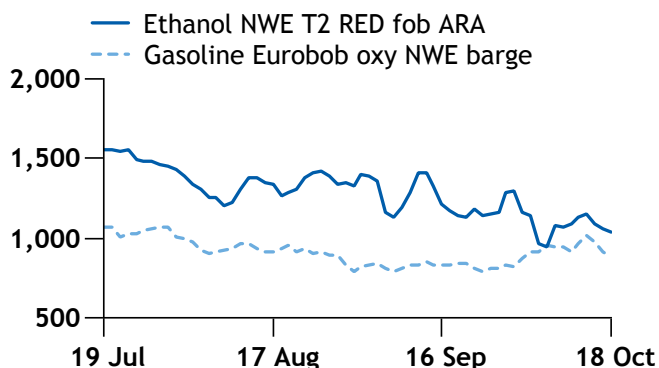
Based on market indications the premium for minimum 85pc GHG savings ethanol narrowed by €5/m³ to €35/m³.

Trade on the lower GHG savings ethanol paper market reported to Argus before the spot window comprised 2Q €1,022-1,025/m³ and a calendar 2023 strip at €995/m³. No trade was reported during the spot window.

After the spot window shut, 2Q traded at €1,010/m³, 2Q/3Q at +€1/m³ (€1,011/m³, €1,010/m³), May/June at -€1/m³ (€1,011/m³, €1,012/m³) and February/March at -€15/m³ (€975/m³, €990/m³).

T2 ethanol RED vs Eurobob oxy

\$/t



The Effects of Coronavirus on Markets

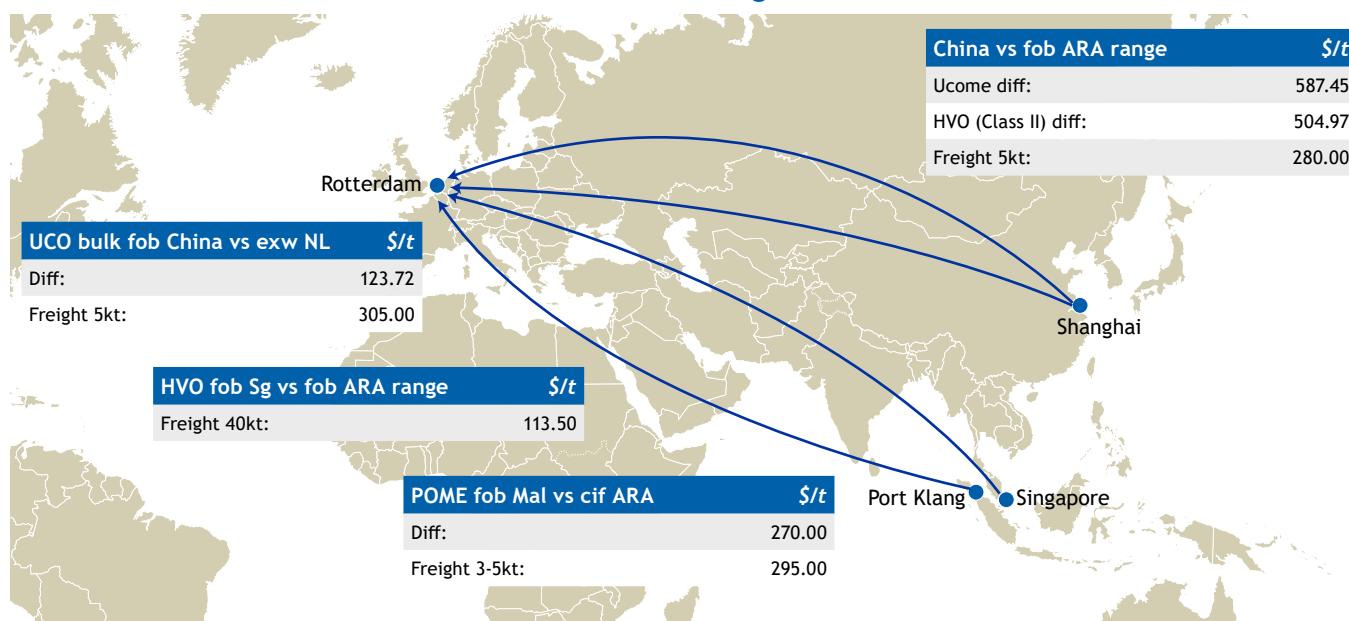
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Renewable fuel ticket prices		
	Bid	Ask
German GHG reduction obligation* €/t CO _{2e}		
Conventional GHG quota		
2022	415	435
2023	420	440
Single-counting advanced GHG quota €/GJ		
2022	3.50	4.50
2023	4.00	4.60
Double-counting advanced GHG quota		
2022	860	910
2023	870	920
Other GHG quota		
2022	440	455
2023	445	460
Annex IX part B GHG quota		
2022	420	440
2023	425	445
*Treibhausgasminderungsverpflichtung		
Netherlands renewable fuel unit* €/GJ		
Conventional renewable fuel unit (HBE-C)		
2022	12.30	13.30
2023	12.80	13.80
Advanced renewable fuel unit (HBE-G)		
2022	13.20	13.70
2023	15.20	15.70
Other renewable fuel unit (HBE-O)		
2022	13.20	13.70
2023	15.20	15.70
Annex IX part B renewable fuel unit (HBE-IXB)		
2022	13.15	13.65
2023	15.15	15.65
*Hernieuwbare brandstofeenheden		
UK renewable transport fuel certificate p/RTFC		
Crop-based RTFC		
2022	31.00	32.75
2023	30.00	31.75
Other RTFC		
2022	31.50	33.00
2023	30.50	32.00

Renewable gas guarantees of origin (13 Oct)					
	Unit	Bid	Ask	Mid	±
Denmark crop					
2021	€/MWh	20.00	23.00	21.50	-1.50
2022	€/MWh	20.50	23.50	22.00	-1.50
2023	€/MWh	21.00	24.00	22.50	-1.50
Denmark waste					
2021	€/MWh	38.50	41.50	40.00	nc
2022	€/MWh	39.50	42.50	41.00	nc
2023	€/MWh	43.00	47.00	45.00	nc
UK crop					
2021	£/MWh	10.00	12.50	11.25	+0.25
2022	£/MWh	11.50	13.50	12.50	+0.25
2023	£/MWh	12.50	14.50	13.50	+0.25
UK waste					
2021	£/MWh	23.75	26.75	25.25	+0.25
2022	£/MWh	25.25	27.25	26.25	+0.25
2023	£/MWh	26.25	28.25	27.25	+0.25

International biofuels / feedstock differentials and freight



Asia-Pacific biofuels

Malaysian crude palm oil (CPO) futures jumped to their highest level since 30 August, crossing the 4,000 ringgit/t (\$848/t) threshold for the first time since then. The surge was possibly fuelled by a depreciating local currency and fears over threats to global vegetable oil supplies.

The active third month contract rose by almost 6pc from 17 October to close at 4,075 ringgit/t by 5.30pm Singapore time, as there are concerns in agricultural markets that Russia may close its Black Sea grain corridor that is due to expire next month.

Southeast Asian biodiesel and waste-based feedstocks markets were generally quiet because of muted European demand, and with several participants in Jakarta for the International Sustainability and Carbon Certification (ISCC) regional stakeholder meeting.

But the jump in CPO on 18 October drove asking prices higher for palm oil mill effluent (Pome) and offers were reported between \$800-850/t fob Malaysia/Indonesia. Firm bids have yet to emerge for the week, but buying interest remains in the low-\$700s/t fob according to several traders.

Chinese market still subdued

The Chinese used cooking oil methyl ester (UCO) market still lacked discussions because of persistent weak demand from Europe. A brown grease methyl ester (BGME) tender closed at between \$1,380-1,390/t fob China last week according

International biofuels spot prices			\$/t
	Bid	Ask	±
RED biodiesel			
BGME fob China	1,330.00	1,370.00	nc
UCOME fob China	1,310.00	1,350.00	nc
PME fob Malaysia	865.00	1,045.00	+15.00
PME fob Indonesia	750.00	975.00	+5.00
Biodiesel			
PME ex-works Indonesia	865.00	869.00	+23.00
SME fob Argentina upriver (17 Oct)	1,458.49	1,480.53	+16.45
SME fob Houston B100 (17 Oct)	2,325.53	2,340.48	+37.37
SME fob Houston B100 (17 Oct) €/USG	777.77	782.77	+12.50
RED hydrotreated vegetable oil (HVO)			
HVO fob China (14 Oct)	2,300.00	2,500.00	-40.00
HVO fob Singapore (Class I) netback	2,381.21	2,394.03	-15.45
HVO fob Singapore (Class II) netback	2,785.06	2,797.88	-15.45
HVO fob Singapore (Class III) netback	2,708.14	2,720.96	-15.45
Sustainable aviation fuel (SAF)*			
SAF fob Singapore netback	3,315.28	3,328.44	-15.86
*Hydrotreated Esters and Fatty Acids (HEFA-SPK)			
Bionaphtha			
Bionaphtha cfr northeast Asia	2,620.00	2,640.00	-5.00
Ethanol			
fob Pakistan	1,070.00	1,100.00	nc
fob Pakistan (hydrous)	1,000.00	1,030.00	nc
cfr Mumbai	920.00	940.00	-5.00
cfr Philippines \$/m ³	745.00	765.00	-5.00
B-grade cfr northeast Asia \$/m ³	750.00	800.00	nc
cfr China	630.00	910.00	-2.50

to market sources, but this could not be confirmed by the counterparties.

Many other participants thought the price was fair for a large-volume deal with the advantage of cheaper freight. At least a few suppliers were willing to sell November-loading BGME cargoes at around \$1,370/t fob China.

Sellers reported added difficulties selling Pome methyl ester and Pome-based hydrotreated vegetable oil because of concerns from some European buyers that Pome may be banned along with other palm-related feedstocks in Germany from next year.

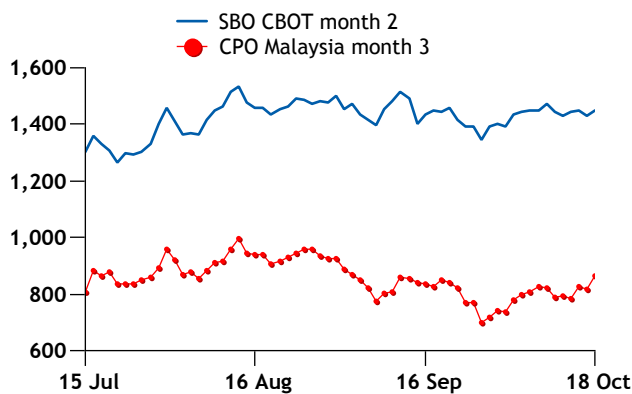
The rise in the main Dalian palm oil contract on 18 October did not drive domestic waste oil suppliers to increase their offers immediately.

No new discussions over bulk UCO cargoes emerged, although suppliers continued to restock at ports to fulfill previous contracts. Assessments for Chinese bulk UCO and premium bulk UCO were flat on the back of the lack of activity in the market.

International feedstock spot prices			\$/t
	Bid	Ask	±
RED feedstocks			
Brown grease dap China CNY/t	7,400.00	7,600.00	nc
Brown grease dap China	1,028.51	1,056.30	-0.57
UCO dap China CNY/t	8,300.00	8,700.00	nc
UCO dap China	1,153.59	1,209.19	-0.65
Premium UCO bulk fob China	1,090.00	1,110.00	nc
UCO bulk fob China	1,050.00	1,080.00	nc
Premium UCO diff to UCO bulk fob China		+35.00	
UCO fob China	950.00	1,010.00	nc
UCO fob Indonesia	820.00	875.00	nc
UCO bulk fob Malaysia	980.00	1,020.00	nc
UCO fob Vietnam	920.00	970.00	nc
POME fob Malaysia/Indonesia	740.00	800.00	+10.00
Feedstocks			
Palm olein Malaysia/Indonesia fob			
Prompt	900.00	930.00	+45.00
Dec	910.00	940.00	+45.00
Jan	920.00	950.00	+45.00
Feb	930.00	950.00	+40.00
Arg SBO diff to CBOT 1st mth (17 Oct) €/lb	-10.50	-9.50	

SBO CBOT vs CPO Malaysia

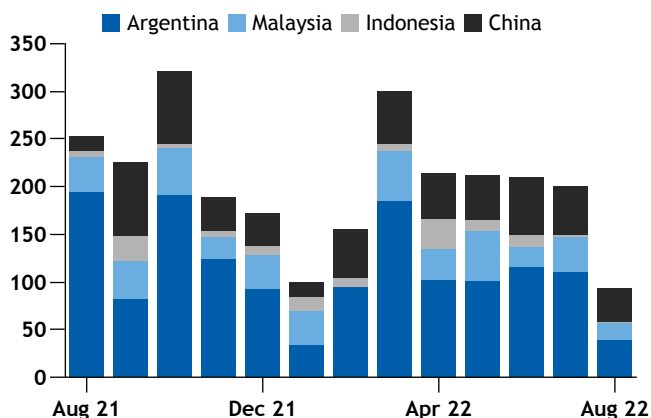
\$/t



Freight (14 Oct)			\$/t
Size '000t	Bid	Ask	±
Malaysia - ARA			
Palm Oil 15-30	141.00	146.00	nc
PME 3-5	265.00	275.00	nc
UCO/Pome 3-5	290.00	300.00	nc
Malaysia - West Med			
Palm Oil 15-30	136.00	141.00	nc
PME 3-5	260.00	270.00	nc
UCO/Pome 3-5	285.00	295.00	nc
Singapore - ARA			
HVO 40	111.00	116.00	nc
China - ARA			
UCO 5	300.00	310.00	nc
Ucome/HVO 5	275.00	285.00	nc
US - China			
Ethanol 40-50	54.00	68.00	nc

EU+UK FAME imports from major exporters

'000t



Reference prices			\$/t
Month	Settle		±
CBOT soybean oil futures (16:30 London time)			
Dec	1,495.84		+25.80
Jan	1,448.44		+19.18
Mar	1,406.77		+9.92
Malaysia palm oil futures			
Nov	845.12		+44.65
Dec	856.35		+45.28
Jan	863.13		+45.91
Bid	Ask		±
Glycerine fob SE Asia	300.00	350.00	nc

US biofuels

RIN credits firmed with steady demand in the first half of the session, lifting the Argus Renewable Volume Obligation (RVO) by 0.22¢/USG to 20.08¢/USG.

Current year ethanol D6 RIN credits rose by 1.75¢/RIN with bids at 163¢/RIN and offers at 164¢/RIN. Next year D6 credits were offered early at 164¢/RIN with no buyer interest emerging. Biomass-based diesel D4 credits with 2022 vintage increased by 2.25¢/RIN to 185¢/RIN based on bids at 184¢/RIN and offers at 186¢/RIN. Transactions emerged earlier between 183¢/RIN and 186¢/RIN.

2022 cellulosic biofuel D3 credits traded last at 250¢/RIN, increasing by 3¢/RIN. Other volumes exchanged hands prior to that as low as 248¢/RIN.

Ethanol market values fell in tandem with CBOT corn futures during the first half of the session. Chicago Rule 11 railcars for this week dropped 0.5¢/USG to 238¢/USG after a deal at that level emerged. Prompt in-tank transfers at Kinder Morgan's Argo terminal fell 1¢/USG to 239¢/USG based on bids and offers at 238¢/USG and 240¢/USG. In-tank transfers for the month of October also fell 1¢/USG to 236.5¢/USG as bids and offers emerged at 235¢/USG and 238¢/USG.

New York harbor front month barges were unchanged as no buyer or seller interest was seen.

Biodiesel spot price averages October to date		\$/t
	Bid	Ask
RED		
Palm OME fob ARA range	1,429.42	1,439.42
Rapeseed OME fob ARA range	1,764.00	1,774.00
Soya OME fob ARA range	1,586.92	1,596.92
FAME 0°C CFPP fob ARA range	1,527.75	1,537.75
FAME -10°C CFPP fob ARA range	1,740.25	1,750.25
UCOME fob ARA range	1,908.94	1,918.94
Tallow OME fob ARA range	1,844.77	1,854.77
Advanced FAME 0°C CFPP fob ARA range	2,005.61	2,015.61
International		
RED Ucome fob China	1,324.29	1,364.29
RED PME fob Malaysia	877.92	997.08
RED PME fob Indonesia	767.50	960.83
SME fob Argentina (to 17 Oct)	1,673.02	1,700.35

HVO spot price averages October to date		\$/t
	Bid	Ask
RED		
HVO fob ARA range (Class I)	2,494.31	2,507.13
HVO fob ARA range (Class II)	2,967.60	2,980.42
HVO fob ARA range (Class III)	2,782.77	2,795.59
International		
RED HVO fob China	2,300.00	2,500.00

Feedstocks spot price averages October to date		\$/t
	Bid	Ask
RED		
RSO fob Dutch mill prompt €/t	1,393.71	1,403.71
UCO fob ARA range	1,185.00	1,195.00
UCO cif ARA	1,092.50	1,102.50
UCO ex-works Netherlands	1,230.05	1,239.84
Tallow (categories 1 and 2) fca northwest Europe	982.48	992.28
Tallow (category 3) fca northwest Europe	1,283.94	1,293.73
POME cif ARA	1,030.83	1,040.83
International		
RED premium bulk UCO fob China	1,084.29	1,110.00
RED bulk UCO fob China	1,041.43	1,080.00
RED POME fob Malaysia/Indonesia	738.33	781.67

Ethanol spot price averages October to date		\$/t
	Bid	Ask
RED		
T2 premium ethanol fob ARA range inc duty €/m ³	902.52	912.52
T2 premium ethanol fob ARA range inc duty	1,120.22	1,132.64
T2 premium ethanol diff to Eurobob oxy	+186.02	+197.93
T2 ethanol fob ARA range inc duty €/m ³	862.93	872.93
T2 ethanol fob ARA range inc duty	1,071.09	1,083.50
T2 ethanol diff to Eurobob oxy	+136.88	+148.79
International		
fob Pakistan	1,020.00	1,100.00

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NEWS

Austrian government consults on biofuels law

Austria's environment, transport and energy ministries has published a draft law to amend the domestic transport fuel legislation with the aim to transpose the recast of the Renewable Energy Directive (RED II).

The draft law suggests an increase of the country's greenhouse gas emission reduction obligation from currently 6pc to 7pc in 2024, 7.5pc in 2025, 8pc in 2026, 9pc in 2027, 10pc in 2028, 11pc in 2029 and 13pc in 2030.

The ministry also aims to introduce an obligation to blend advanced biofuels produced from feedstock listed in Annex IX Part A.

Under the advanced target obligated parties from 2023 have to cover a minimum share of 0.2pc of their overall energy sold to the transport sector with advanced biofuels. The target will rise to 1pc in 2025 and 3.5pc in 2030. The draft deletes a clause that currently allows companies to apply for an exemption to fulfil the current advanced target.

Under the draft, obligated parties have to substitute at least 3.4pc of their overall gasoline sales in terms of energy with biofuels, while at least 6.3pc of overall diesel sales have to be replaced with biofuels.

It also introduces the possibility for companies to carry forward excess GHG savings to the following compliance year for the years 2023-2028 and allows for renewable fuel of non-biological origin to be counted towards the blending mandate. It further suggests a cap for upstream-emission reduction (UER) credits at 1pc and does not allow the use of UER credits for compliance from 2024.

The draft extends rules around the use of electricity used to charge electric vehicles in Austria allowing not just for the electricity provider but also for charging point operators and private households to claim GHG savings and specifies the use of biomethane as a biofuel not acknowledge as such in the current legislation.

The ministry also plans to get rid of the E5-protections grade clause which means that petrol station operators do not have to sell E5-gasoline anymore when offering E10.

The draft also lifts the buy-out payments to be paid in case of non-compliance. Companies have to pay €43/GJ if they fail to reach the minimum advanced target and the substitution target for diesel and gasoline.

In case of non-compliance with the GHG quota, they have to pay €600/t CO₂e for the first 5pc of the quota and €15/t CO₂e for the final 1pc of the quota. From 2024, the overall buy-out level will be at €600/t.

The public consultation on the draft ends on 27 October.
By Sophie Barthel

EU SBO and palm oil imports climb, UCO slips

Soybean oil (SBO) and palm oil imports into the EU climbed in August despite tightening regulations in the bloc on both products, while used cooking oil (UCO) imports slipped.

UCO imports fell by around 5pc on the month in August, but were up by just under 19pc from August 2021. Nearly half of the 207,000t of UCO arriving in the bloc was taken by the Netherlands, mainly supplied by Indonesia, Malaysia and China. *Argus* assessed UCO fob ARA prompt averaged \$1,460.50/t (€1,470.50/t) in August, compared with

Requirement for biofuels terminal confirmation on AOM

Following consultation, *Argus* will require sellers of biodiesel, hydrotreated vegetable oil (HVO) and used cooking oil (UCO) fob ARA range using the Argus Open Markets (AOM) platform to confirm the load terminal no later than 12:00pm London time on the working day before the nominated loading date. Note, the deadline now refers to the "nominated" loading date to avoid ambiguity. Failure to do so or deviations to an alternative load port will be considered a breach of the AOM terms and conditions unless buyer and seller agree on a mutual solution. This requirement is effective from 31 October 2022.

Additional changes for use of AOM:

- *Argus* will clarify nomination and loading procedures currently required for AOM use on European HVO – normal industry nomination and loading procedures are expected to apply. Nominations must adhere to TTb rules (version 2010) – Tankschiff-Transportbedingungen 2010. Sellers must ensure they have product they are able to deliver and should not offer if product is not readily available.

- *Argus* will update Ucome fob ARA range AOM certification scheme declaration criteria. Should a buyer declare the UK certification scheme at the time of nomination, the GHG savings requirement will not apply beyond meeting the minimum default GHG requirement under energy for transport laws and regulations in the UK. This is currently the criteria for the Netherlands only.

- *Argus* will add an FFA discount for UCO fob ARA range. UCO fob ARA range 1,000t barges sold on AOM have a maximum FFA content of 7.5pc (as oleic) as standard. The addition will allow for a seller to deliver product of a higher FFA content at a discount of 1:1 for every 0.1 percentage points up to a maximum of 8pc.

\$1,490.50/t (€1,434/t) in July. Soybean oil (SBO) imports climbed for a second month to 36,567t in August, 37pc higher than July figures.

But this was a third lower than August 2021 and with [EU industrial SBO use forecast drop in 2022-23](#) lower volumes are expected to flow into the bloc. Poland took over half of all imports, supplied by Ukraine.

Palm oil arrivals into the bloc increased for a second consecutive month in August, by 13pc at 453,900t. But imports slid by just over 17pc from August 2021 on the back of Europe's decision to phase out palm oil in the biofuel's feedstock mix from 2023. The Netherlands, Spain and Italy took the bulk of imports at 31pc, 26pc, and 21.6pc respectively.

Palm oil arrivals for July 2022 were corrected slightly upward in the August Eurostat data update – just over 402,500t arrived in July, corrected from 401,360t. UCO and SBO imports were also revised up by around 19,500t and 674t, respectively.

The UK, which left the EU in 2020, imported 16,200t of UCO in August, down from 19,900t in July and 18,800t in August 2021. Around 18,300t of palm oil arrived in the UK compared with 27,600t in August 2021.

Global feedstock supply is tight, and biofuel producers are researching alternative sources such as [cover crops camelina and carinata](#).

By Niamh Burns

Exxon staff end French strike

Workers at ExxonMobil's 133,000 b/d Fos and 236,000 b/d Port Jerome refineries in France are returning to work after spending more than three weeks on strike in a dispute over pay. But staff at TotalEnergies' downstream sites in the country are continuing their industrial action, a move described by France's finance minister as "unacceptable".

ExxonMobil workers belonging to the CGT and Force Ouvriere unions started returning to work on Saturday. The two unions said refinery operations will return "at our pace", adding that workers are "demotivated". The GCT told *Argus* today that it will take "10-15 days to first restart the units, and then to produce finished gasoline, diesel".

Relations between ExxonMobil employees and management appear fractious at the end of the 24-day walkout.

"The staff no longer trust management. We advise local management not to rejoice too much as this was only the start of a rebellion you will now suffer daily," the unions said.

The industrial action has caused significant delays to crude unloading operations at the Fos refinery. The *Delta Blue* arrived at Fos on 29 September with around 1mn bl of Doba crude from Chad on board, and it is still waiting outside the port.

It has been since joined by the *Maran Solon* which is carrying around 600,000 bl of US WTI and is also at anchor at the mouth of the port.

Meanwhile, CGT members at TotalEnergies' French refineries, fuel depots, biofuels and petrochemical plants remain on strike. This is "illegitimate and unacceptable", French finance minister Bruno Le Maire said today. "It is necessary to free the fuel depots, free the refineries which are blocked. The time for negotiations is over," he said.

Le Maire pointed to the fact that other unions, including the CFE and CFDT, [have agreed deals with TotalEnergies](#). In response, the CGT said the strike at TotalEnergies' 246,900 b/d Gonreville, 219,000 b/d Donges and 109,300 b/d Feyzin refineries will continue until at least Tuesday evening, and possibly beyond.

Staff at TotalEnergies' fuel depots are being requisitioned by local government officials to open tanks belonging to the firm. It is unclear how successful this has been in enabling supplies to be delivered. Service stations across France remain short of fuel.

The French energy ministry said today that 30pc of service stations are still either closed or are running short. The proportion affected in the region around Paris is higher.

The wave of industrial action in France has tightened supply of middle distillates in Europe at a time when Europe is trying to wean itself off Russian diesel ahead of the EU's ban on Russian refined product imports in February.

By Adam Porter

Cepsa to supply SAF to Europe tourism group TUI

Spanish integrated firm Cepsa plans to supply sustainable aviation fuel (SAF) to TUI Airlines, part of the TUI Tourism group. The SAF will probably be produced from Cepsa's

Early timestamp for Asia-Pacific biofuels prices 21 Oct

Following consultation, *Argus* will advance the timestamp of its Asia-Pacific biofuels assessments in the *Argus Biofuels* report to 12:30pm Singapore time on Friday 21 October 2022, the last publication day before a public holiday in Singapore.

Change to RED Fame 0°C CFPP fob ARA range price

Following consultation, from 1 January 2023, *Argus* will change its RED Fame 0°C CFPP fob ARA range price assessment to exclude any bids, offers, trade or other market information involving product accompanied by palm oil proof of sustainability.

220,000 b/d refining and petrochemical complex at Huelva, southern Spain.

TUI said it will probably be used to partially fuel flights to and from its popular holiday destinations like the Canary and Balearic islands. Cepsa already supplies TUI with fossil jet fuel.

The first batch of advanced biofuels at Huelva has been produced with used cooking oil (UCO) and is a first step to meeting Cepsa's goal of producing 2.5mn t/yr of advanced biofuels by 2030, including 800,000 t/yr of SAF.

The firm wants SAF produced from raw materials that do not compete with food resources, such as UCO, non-food animal waste or biodegradable waste from various industries, and plan alternatives such as green hydrogen and electrification for the airline's ground fleet.

SAF production at Huelva has not yet started, and the firms did not offer a date for when the offtake of SAF supply will begin.

Previously, Cepsa has also agreed to [supply SAF to Spanish airline Vueling](#), a subsidiary of airline group IAG.

By Bea O'Kelly

BP, Shell eye Australia for green investments

BP and Shell have earmarked Australia as a key destination for energy transition investment, overshadowing domestic efforts by the country's largest upstream firms Woodside Energy and Santos.

Shell added to its renewable energy investments in Australia last week as part of its molecules-to-electrons strategy through the purchase of the 370MW wind, solar and battery storage project in Perth.

This was followed by Shell announcing its part in a joint venture to develop, own and operate a 500MW battery in the [Central West Orana renewable energy zone](#) in New South Wales (NSW) set up by the state government.

Shell had earlier this year acquired a 49pc stake in Australian wind developer WestWind Energy Development, which has around 3,000MW of projects in the planning stage in eastern Australia.

Shell bought [Australian electricity retailer Powershop](#) from New Zealand utility Meridian Energy for an undisclosed sum in November 2021.

It bought Australian power wholesaler ERM Power, which largely provides electricity to commercial and industrial customers and not the retail market, in 2019.

BP has not concluded many deals in the low-carbon energy sector in Australia. But the company will be exporting hydrogen from Australia to the Asia-Pacific region through its 40.5pc stake in the [Asian Renewable Energy Hub \(AREH\) in Western Australia](#). BP's Australia president Frederic

Baudry said last week that the firm's portfolio of low-carbon projects in Australia is now among the top three investment destinations in the world, with billions of dollars available for investment if project costs could be reduced.

"I am proud of the place that Australia now holds globally in BP as an IEC - a top-3 geography for investment in low-carbon globally," Baudry said, referring to BP's transition from an international oil company to an integrated energy company (IEC).

In contrast, [Australian upstream firms Woodside and Santos](#) have made few inroads into the renewable energy sector. Much of Woodside's focus has been on making hydrogen from natural gas and building carbon capture and storage (CCS) sites in new fields Santos is developing. Both firms are also using carbon offsets to sustain their core business of hydrocarbon extraction.

Investments by BP and Shell in the energy transition market in Australia likely also reflect their larger balance sheets, as both firms continue to look at upstream oil and gas sectors.

BP, Chevron, ExxonMobil, Shell and TotalEnergies sanctioned projects in 2021 that were [inconsistent with the IEA's Beyond 2°C Scenario \(B2DS\)](#), a rapid transition equivalent to an estimated 1.75°C of global warming in this century, a report last week by the Climate Action 100+ (CA100+) Net Zero Company Benchmark showed.

By Kevin Morrison

Tidewater Renewables enters RNG supply contract

Canadian renewable fuels producer Tidewater Renewables has agreed to sell up to 525,000 GJ/yr of renewable natural gas, or biomethane, to Canadian utility FortisBC over a 20-year period.

The offtake agreement is subject to regulatory approval, with a decision expected in the first quarter of 2023.

Tidewater Renewables expects to start supplying FortisBC with biomethane by the first half of 2024 from a plant currently under construction.

The plant will process manure into biomethane with negative carbon intensity scores, which means that the product takes more carbon out of the environment than it produces.

By Sophie Barthel

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>

Argus successfully completes annual Iosco assurance review

Argus has completed the 11th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. 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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Argus Assessment Rationale Database

For prices used in financial benchmarks, Argus publishes daily explanations of the assessment rationale with supporting data. This information is available to permitted 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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