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Argus Biochemicals

Monthly biochemical price supplement

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Biochemicals

Argus bionaphtha-based chemical prices are calculated monthly based on market premiums for bionaphtha (ISCC certified from used cooking oil) to fossil fuel-based naphtha feedstocks and standard fossil-fuel based chemical prices. The calculations do not include any additional premiums that might be sought by producers and intermediaries, nor do they exclude any premiums or discounts in underlying chemical references.
Click here >> for the methodology.

EUROPE

Biochemical feedstock premiums edge higher

Bionaphtha premiums to fossil fuel-based naphtha edged up by €10/t to €740/t in August, halting six consecutive months of steady declines. This is based on *Argus* assessments of ISCC-certified bionaphtha produced from used cooking oil (UCO) compared with fossil fuel-based naphtha para 65 cif northwest Europe.

Higher voluntary demand from the petrochemical sector helped lift premiums slightly. This was in line with feedback from the chemicals sector, where participants also noted a small rise in requests from downstream customers. Volumes remain small but are growing, and customers along the value chain are seeing opportunity in the low-volume but high-margin products, alongside other circular and sustainable routes, although the high premiums remain a barrier to faster adoption.

Buyers reported premiums for biochemicals to their fossil fuel equivalents in as wide a range as €1,000-2,000/t, an additional €260-1,260/t above the bionaphtha premium. Premiums vary widely based on the supplier, the specifications and greenhouse gas savings of the particular biofeedstock, and what a downstream producer of finished goods is willing to pay.

Applying only the bionaphtha premium to the gross ethylene monthly contract price (MCP) for September yields a calculated bionaphtha-based bioethylene reference of €1,870/t, €15/t higher than a month earlier. For propylene, the bionaphtha based biopropylene reference price for September is €1,745/t, up by €10/t from August. For biobutadiene the reference falls by €5/t to €1,575/t and biobenzene declines by €49/t to €1,318/t for September.

These references track the underlying change in their fossil fuel-based equivalents, as well as the bionaphtha premium. In practice, producers of mass-balanced biochemicals have a choice in deciding which products to allocate bio certificates to, creating a different dynamic for pricing.

Western Europe biochemical price references - 10 Sep *€/t*

	Timing	Price	Change	±
Feedstock premiums				
Bionaphtha-naphtha premium	Aug 25	740.4	+10.8	▲
Biopropane-propane premium	Aug 25	771.9	-7.8	▼
Bionaphtha-based bioethylene				
Modelled bioethylene price*	Sep 25	1,870	+15	▲
Ratio of bioethylene-ethylene	Sep 25	1.65	nc	◀▶
Bionaphtha-based biopropylene				
Modelled biopropylene price*	Sep 25	1,745	+10	▲
Ratio of biopropylene-propylene	Sep 25	1.74	+0.01	▲
Bionaphtha-based biobutadiene				
Modelled biobutadiene price*	Sep 25	1,575	-5	▼
Ratio of biobutadiene-butadiene	Sep 25	1.89	+0.03	▲
Bionaphtha-based biobenzene				
Modelled biobenzene price*	Sep 25	1,318	-49	▼
Ratio of biobenzene-benzene	Sep 25	2.28	+0.13	▲

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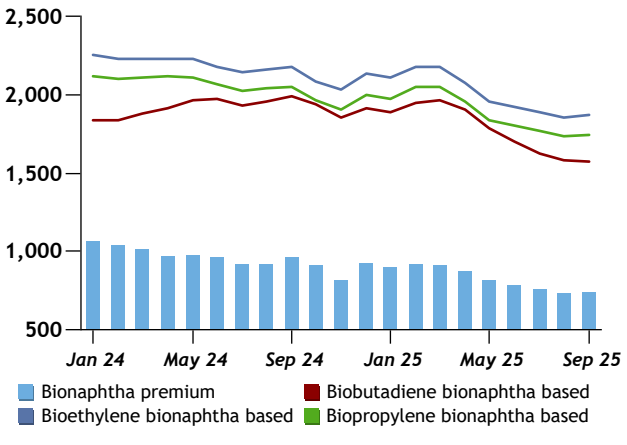
European bionaphtha-based chemical price references *€/t*



ASIA

Biochemical feedstock costs rise sharply

Costs for biochemical feedstocks in Asia-Pacific surged by $232/t in August to their highest since October.

Average premiums for UCO-based bionaphtha to fossil fuel-based naphtha rose to $1,044/t. This mainly reflected an increase in UCO costs, which also led to reduced bionaphtha supply — one of the four co-processors in South Korea halted production because of the rise in costs. The increase in UCO costs was attributed to higher demand for the product in China for sustainable aviation fuel production, as well as reduced supply from the country's restaurants because the subdued economy means fewer people are eating out.

Based on the increase in bionaphtha premiums, calculated mass-balanced references for biochemicals also rose sharply. In practice, premiums for biochemicals vary widely and are higher than indicated by the calculations, which are based only on feedstock premiums and underlying chemical prices.

There have been tentative signs of demand emerging from the chemicals sector, but these are offset by concerns that higher premiums will hamper — at least temporarily — any demand growth. And the bionaphtha production stoppage in South Korea suggests that it will be challenging to pass these costs along the chain for chemicals.

Asian biochemical price references - 10 Sep				$/t
	Timing	Price	Change	±
Feedstock premiums				
Bionaphtha-naphtha premium	Aug 25	1,043.6	+232.0	▲
Bionaphtha-based bioethylene				
Modelled bioethylene price*	Aug 25	1,894	+257	▲
Ratio of bioethylene-ethylene	Aug 25	2.23	+0.25	▲
Bionaphtha-based biopropylene				
Modelled biopropylene price*	Aug 25	1,836	+254	▲
Ratio of biopropylene-propylene	Aug 25	2.32	+0.27	▲
Bionaphtha-based biobutadiene				
Modelled biobutadiene price*	Aug 25	2,134	+267	▲
Ratio of biobutadiene-butadiene	Aug 25	1.96	+0.19	▲
Bionaphtha-based biobenzene				
Modelled biobenzene price*	Aug 25	1,789	+234	▲
Ratio of biobenzene-benzene	Aug 25	2.40	+0.31	▲

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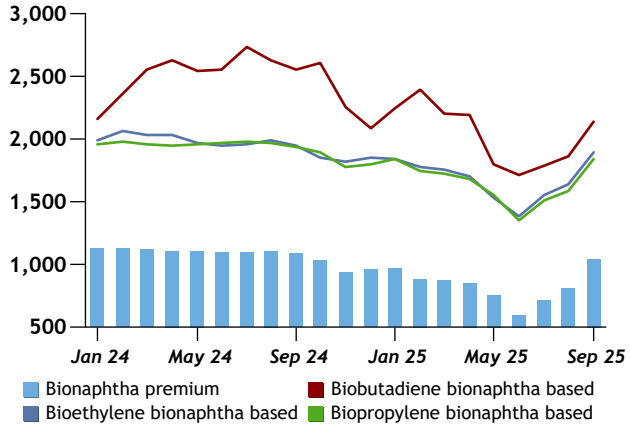
Asia bionaphtha-based chemical price references $/t



NEWS

Lego to double recycled polymer content by end 2025

Danish toymaker Lego is on track to increase the share of sustainable materials in its products to 60pc by the end of 2025, doubling the share of renewable content from the first half of 2024.

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Citroniq, ABB plan bio-PP site in Nebraska, US

Green-energy start-up Citroniq has selected technology firm ABB to support the development of a bio-based polypropylene (bio-PP) plant in Nebraska, targeted for start-up in 2029. The facility could eventually reach a capacity of 600,000 t/yr, the company said.

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Japan's packaging industry turns to bio-polypropylene

Japan's plastic packaging market has been consuming more bio-polypropylene (bio-PP), as part of the northeast Asian country's attempts to meet its sustainability goals.

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Japan's Sumitomo starts ethanol-to-propylene pilot unit

Japanese producer Sumitomo Chemical has begun operating a pilot facility at its Sodegaura plant in Japan's Chiba Works site, to carry out its new proprietary process to produce propylene directly from ethanol, the company announced on 20 August.

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TotalEnergies Corbion inks PLA deal in Middle East

TotalEnergies Corbion, a joint venture between Dutch food and biochemicals company Corbion and France's TotalEnergies, has signed a distribution deal to supply polylactic acid (PLA) to Multi Trade Group in the Middle East.

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Vioneo selects Lummus PP technology for green MTP plant

Danish investment firm AP Moller's new venture Vioneo has selected US-based Lummus Technology to supply the polypropylene (PP) production technology for its green methanol-to-polymers (MTP) plant in Antwerp, Belgium.

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Japan's IHI launches Thai CO2-to-olefin pilot plant

Japanese engineering firm IHI has launched a pilot plant for olefin production using CO2 from a naphtha cracker in Thai petrochemical firm Siam Cement's subsidiary SCG Chemicals' (SCGC's) petrochemical plant.

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Biofriends to build S Korea's first biomethanol plant

South Korean renewable energy producer Biofriends has signed an initial agreement with South Korean biogas company Cheongmyeong on 22 August to build the country's first commercial-scale biogas-based methanol plant, according to a press release by Biofriends.

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Plastic Energy, Sabic JV produces first PPO at Geleen

A joint venture between chemical recycler Plastic Energy and Saudi state-controlled petrochemical company Sabic has produced the first plastic-derived pyrolysis oil (PPO) at its site in Geleen, the Netherlands.

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GIC creates spinoff to study sustainable olefins, e-SAF

International chemicals sustainability group the Global Impact Coalition (GIC) has launched a separate platform to study the methanol-to-olefins (MTO) pathway for low-carbon feedstocks and synthetic sustainable aviation fuel (e-SAF).

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