FAQ| August 2026

Class V hydrotreated vegetable oil (HVO) fob ARA range assessment



Argus launched its Class V hydrotreated vegetable oil (HVO) fob ARA range assessment on 3 August. The assessment is designed to reflect the value of HVO produced from feedstocks recognised as advanced under German legislation and to provide a dedicated benchmark for this segment of the evolving advanced HVO market

How does this differ from existing HVO classes?

Argus HVO classes are primarily differentiated by feedstock and greenhouse gas (GHG) savings.

Class I
HVO produced from food and feed crops (excluding palm oil)

Class II
HVO produced from used cooking oil (UCO)

Class III
HVO produced from Category 3 tallow

Class IV
HVO produced from palm oil mill effluent (POME) oil

Class V
HVO produced from feedstocks classified as "advanced" under German renewable transport fuel legislation (excluding Pome oil) and eligible for compliance with Germany's greenhouse gas reduction quota

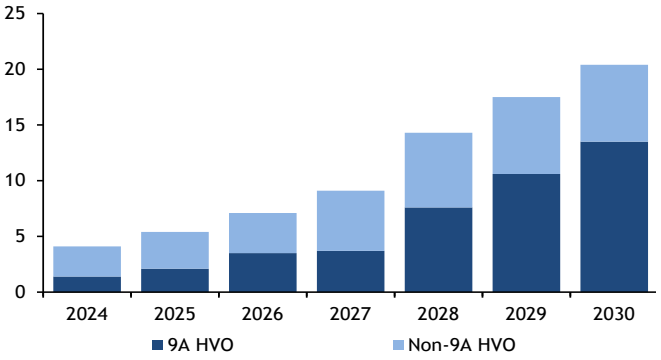
Why do we need a dedicated German price?

Germany is expected to become one of the largest HVO markets in Europe, with total domestic HVO demand potentially reaching 6.5mn t by 2030.

Growing demand, combined with tightening restrictions on crop and certain waste feedstocks, is expected to increase the consumption of HVO produced from advanced feedstocks listed in Annex IX Part A of the Renewable Energy Directive (RED).

While this trend is expected across Europe, EU member states have adopted different approaches to implementing

Europe HVO demand *mn t*



RED at the national level. As a result, feedstocks that qualify as "advanced" in one country may not qualify in another.

Germany, in particular, has specific requirements relating to feedstock eligibility and sustainability certification that distinguish it from other European markets. For example, from 2027, POME oil-based HVO will no longer be eligible to meet Germany's renewable fuel mandate.

As a result, Argus launched a new HVO assessment designed to provide a dedicated benchmark for this segment of the evolving advanced HVO market.

Can the price be used outside Germany?

Yes. Although the assessment is designed to reflect Germany-compliant, advanced material, it can also serve as a useful reference for advanced HVO markets elsewhere in Europe, particularly where the use of POME-derived feedstocks is restricted or discouraged.

For example, in Ireland, POME oil-based HVO does not qualify for the same incentives as other HVO pathways. In Portugal, POME oil-based biofuels do not benefit from the

© 2026 Argus Media group. All rights reserved.

same tax rebates available to other advanced biofuels.

In some cases, there may also be user-specific choices to avoid the use of biofuels produced from palm derivatives, even if allowed under relevant national legislations.

What feedstocks can be used to produce Class V HVO?

Eligible feedstocks are defined by the German government and include:

- Hydrotreated oil derived from sludges generated during the washing and cleaning of Category 3 animal by-products in the preparation and processing of meat, fish and other foods of animal origin
- Hydrotreated oil from tall oil pitch
- Hydrotreated oil from tall oil
- Hydrotreated oil from waste generated during the processing of vegetable fats, lubricants and soaps
- HVO produced from fatty acids extracted from crude tall oil (CTO)
- Hydrotreated oil produced from waste oils, fats or fatty acids recovered from grease-trap contents (for example, from restaurants) and re-esterified prior to processing into biofuel. This excludes waste oils, fats and fatty acids recovered from sewage systems.
- HVO produced from corn oil derived from genetically modified maize stillage generated during bioethanol production
- HVO produced from corn oil derived from stillage generated during bioethanol production

More Information

The Class V hydrotreated vegetable oil (HVO) fob ARA range assessment (PA0048209) is published in the daily **Argus Biofuels** report. **See details here** or contact us at **oil-products@argusmedia.com** to discuss the assessment with a market expert.

This document has been prepared by the Argus Media group (referred to herein as "Argus") for informational purposes only and has not been prepared for any particular purpose. The information or opinions contained in this document are provided on an "as is" basis and should not be construed as legal, tax, accounting or investment advice or the rendering of legal, consulting, or other professional services of any kind.

To the maximum extent permitted by law, neither Argus nor its directors, shareholders, personnel or advisers makes any representations or warranties as to the accuracy or completeness of this document. Argus offers no implied warranty, representation or confirmation of merchantability or fitness for any particular purpose and accepts no responsibility whatsoever for any damages arising from the use of or reliance on the information contained in or omitted from this document and any related materials (such as slides, handouts, other presentation documents and recordings and any other materials or information distributed at a presentation at which this document is displayed or in connection with this document) (whether arising by breach of contract, tort (including the tort of negligence), breach of statutory duty, or otherwise). No rights or remedies are conferred upon the recipients of this document or any other person.

Data and information contained in the document come from a variety of sources, some of which are third parties outside Argus' control and some of which may not have been verified. Any analysis and opinions, data, projections and forecasts provided may be based on assumptions that are not correct or which change, being dependent upon fundamentals and other factors and events subject to change and uncertainty; future results or values could be materially different from any forecast or estimates described in the document.

Copyright notice: Copyright © 2026 Argus Media group. All rights reserved. All intellectual property rights in this document and the information herein are the exclusive property of Argus and/or its licensors and may only be used under licence from Argus. Without limiting the foregoing, you will not copy or reproduce any part of its contents (including, but not limited to, single prices or any other individual items of data) in any form or for any purpose whatsoever without the prior written consent of Argus.

Trademark notice: ARGUS, the ARGUS logo, Argus publication titles, the tagline "illuminating the markets®", and Argus index names are trademarks of Argus Media Limited. For additional information, including details of our other trademarks, visit argusmedia.com/trademarks.