

Market Watch

Every month, **GREENEA** provides our clients and partners with reliable and up-to-date information about feedstock and biodiesel markets. All the information in our monthly Market Watch is based on the latest traded prices.

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UCO



Animal fat
cat 1 & 2



Glycerine



Physical
biodiesel



! Rapeseed harvest just started in EU !

*This year rapeseed production in France could reach 3.8 Mt against 4.9 Mt in 2018 (-22.2%) ...
let see after the harvest*

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UCOME: PRODUCERS WILLING TO RESTORE CONFIDENCE

The UCOME market still oscillates between a climate of suspicion following ongoing investigations and good price outlook from the summer period onwards. Producers are quite confident for the rest of the year. To overcome this climate of suspicion, producers are getting organized with intra-professional associations and certification bodies to implement up a reliable traceability system. On the UCOME market, producers in the South are almost sold out for the quarter with prices were contracted between EUR 880/895 per tonne FOB Spain, only about 10/20 euros less than Rotterdam's prices. Northern producers are taking more time on their quarterly sales and moving to August/September sales to take advantage of the increase, unlike Spain, which is sold out for August / September. In the North, UCOME

prices target about EUR 910 / 915 per tonne of ARA FOB from producers even though Argus Window is closer to EUR 920 / 925 per tonne of ARA FOB. Late June / early July several sales were made, there is almost no product available in July now among producers, and 2 major producers are sold out until SH September. Good news, we note an increase in the production margins since June of thirty euros. Demand is strong and varied for UK DC, FR DC, and High GHG and of course also for the Dutch DC market. DDC offers are more limited because producers remain cautious when offering this certification, as the Dutch authorities are currently reviewing their certification scheme and should propose some changes during the year.



BIODIESEL: NO BIG UPHEAVAL

For RME and FAME, the market continues in the same direction, with the spread remaining historically very high for this period of the year (summer period) with a value above USD 10 per degree (x10 compared to June 2018). This high spread has been driven primarily by RME premium (350 USD/mt in June) which increased by 27% compared to June 2018 and 110 USD/mt compared to May 2019. RME and FAME premiums increased significantly in June compared to the previous month due to a significant loss in Gasoil price. In fixed price,

the FAME market remains stable, in slight increase despite the Gasoil market or SME imports. The FAME price may still be expected to increase again during the summer, given the evolution of demand, the level of stocks, and the veg-oil market.

Also, demand for RME is relatively high in the fourth quarter. Several operators are buying, certainly worried about the winter 2018 scenarios.



UCO: COLLECTORS FRIENDLY MARKET IN JUNE

After a few weeks of stagnation in early June, the UCO market was once again bullish in the second half of June and throughout the Q3. Flexibags import market (FFA max 5%, IV 75, Sulfur 50ppm) has increased from 620 to 635 USD per tonne CIF Rotterdam. The increase is even stronger in Spain where prices are up by around 15 euros. UCOME producers are recovering confidence, gradually increasing their sales over the entire quarter in a context of rising prices. Indeed, UCOME prices are at their highest level in 2 years. Of course, the European UCO (FFA max 5%, IV 75, Sulfur 30ppm, truck delivery) is on the same wave, with prices at their highest level in 18 months around 655 to 665 EUR per ton DDP NWE.

It should be noted that the waste-based biofuels industry is planning a new traceability system: collectors will undoubtedly need to be prepared to record their sales of UCO electronically, this would ensure the centralization and traceability of sales to reduce the risk of fraud in the sector and restore the confidence of UCOME consumers. For the time being, even if demand is strong, UCO offers remain available in China, Southeast Asia or the Middle East. Only in South America, the market is a little tighter due to the limited supply and intense competition to capture these volumes with excellent quality (FFA max 3%, IV 90, Sulfur 20ppm) and for which logistics is possible in ISO Tanks. We note few trades for such product around 650 / 660 USD per ton CIF ARA.



ANIMAL FAT: SALES ARE ALMOST DONE FOR Q3

The market is fast-growing on CAT 1 sales on Q3 with prices that are around 400 / 420€ per tonne Exw (so about 460 to 475€ DDP). However, there are still some quantities available in Q3. Surprisingly, Italians seem to be the most challenging negotiators and remain very tough on prices. European Fat Processor and Rendering Association (EFPRA), which represents 27 renderers in 25 European

Countries, has published the European figures for the production of CAT 1 and 2 animal fat. It totals 618,500 tonnes, 82% of which is used for TME production. EFPRA notes a slight decrease in CAT1/2 fat production in 2018, comparable to 2016 levels. The overall production of animal fat (categories 1, 2, and 3) by EFPRA members was 2.75 million tons in 2018.



ONCOMING EVENTS: JULY AND AUGUST

Biomass to Power North America

10 – 11 July
Raleigh, NC, USA

16th Global Oleochem Summit 2019

17 – 19 July
Dalian, China

MEET US THERE!

Australian Renderers Association 15th Symposium

23 – 26 July
Hobart, Australia

MEET US THERE!

8th Asia-Pacific Biomass Energy Exhibition

16 – 18 August
Guangzhou, China

PALMEX Thailand 2019

22 – 23 August
Pattaya, Thailand

APOC 2019

22 – 23 August
Pattaya, Thailand

13th World Congress on Biofuels and Bioenergy

26 – 27 August
Vienna, Austria

Biofuels 2019

28 – 29 August
Dubai, UAE



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