

IPPE NARA Rendering Symposium 2024



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Methodology



Fastmarkets analysts conduct daily survey of traders, buyers, sellers & brokers

Market data submitter requirements

IOSCO reasonable assurance in August 2020

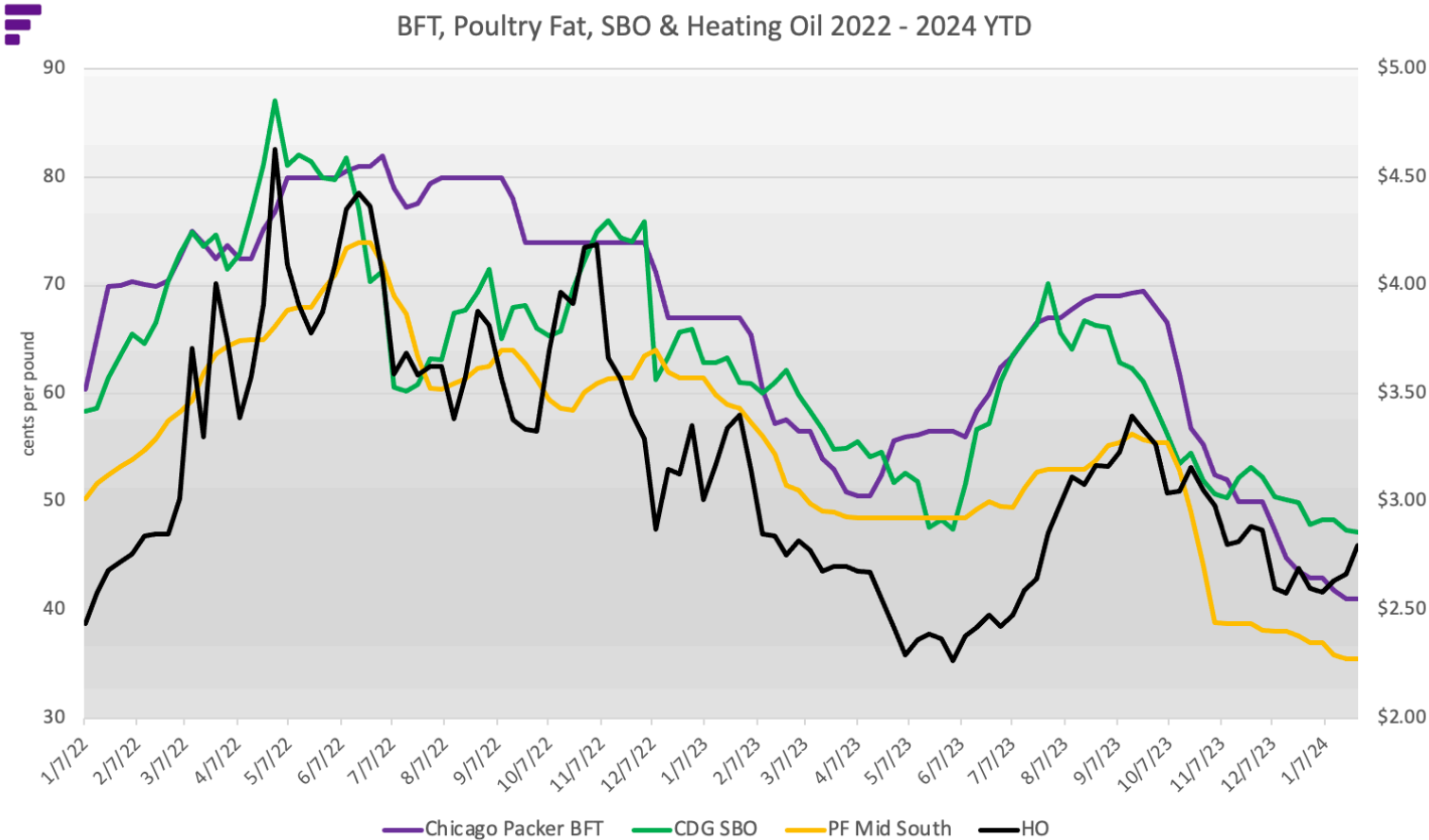
IOSCO Type I Audit completed June 2022 (BFT, DCO, UCO)

IOSCO Type II Audit completed July 2023 (BFT, DCO, UCO)

Prices are based on trades, bids/offers and price indications

Full methodology can be found at www.thejacobsen.com/methodology

Animal Fats Market - Still a Price Taker



Source: Jacobsen/Fastmarkets weekly averages, nearby CME ULSD (HO) price

Invasion of Ukraine

Drought concerns in 2023

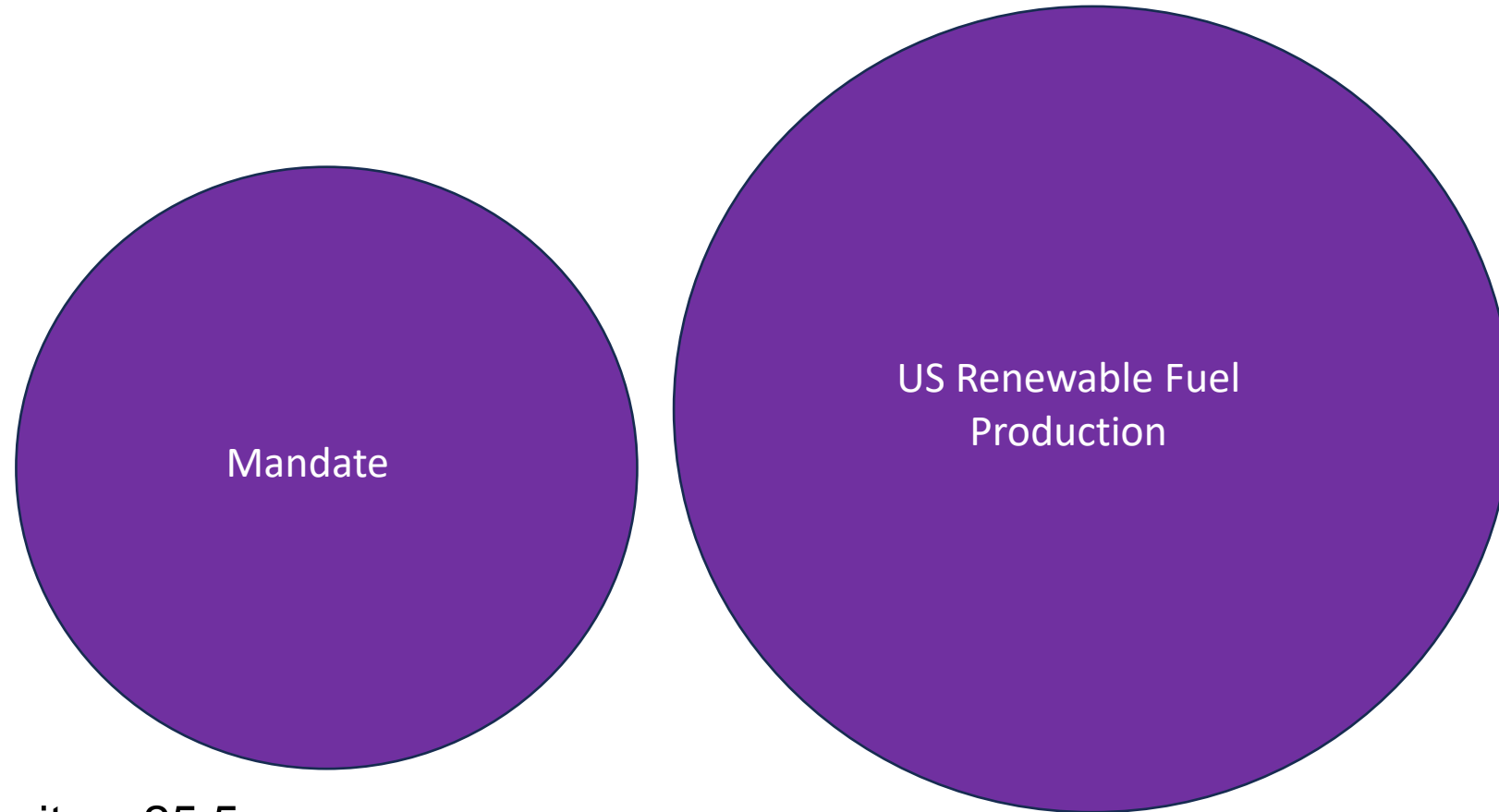
Biofuel demand and production

RFS? LCFS? CFP?

Shifting trade flows (big imports)

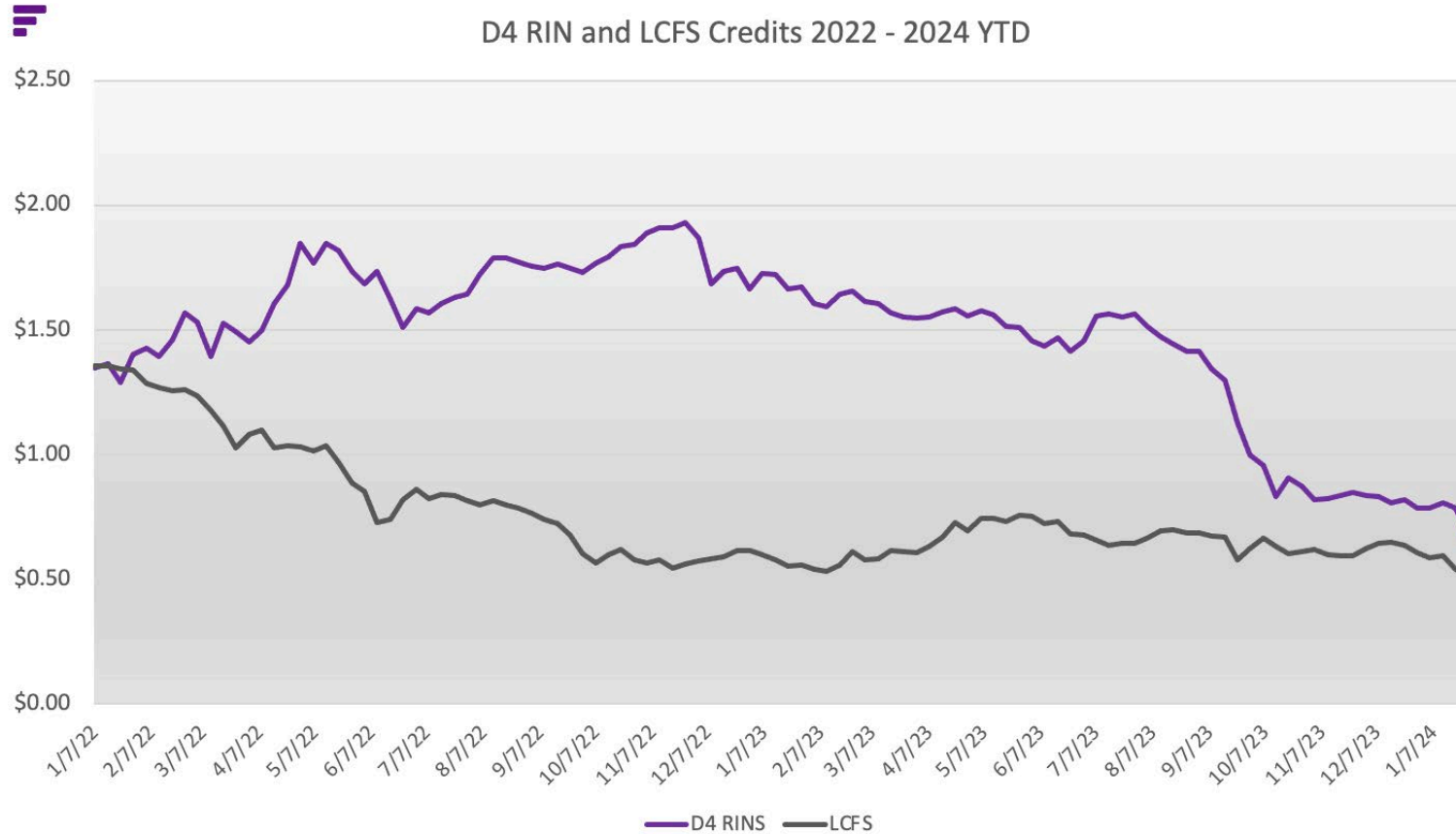
RINS

Renewable Fuel Domestic Capacity vs Mandate



Domestic RF Capacity ~ 25.5 billion gallons (even more RINS)
2024 RVO – 21.54 billion RINS
20% carryover

Credit Prices for Renewables Falling

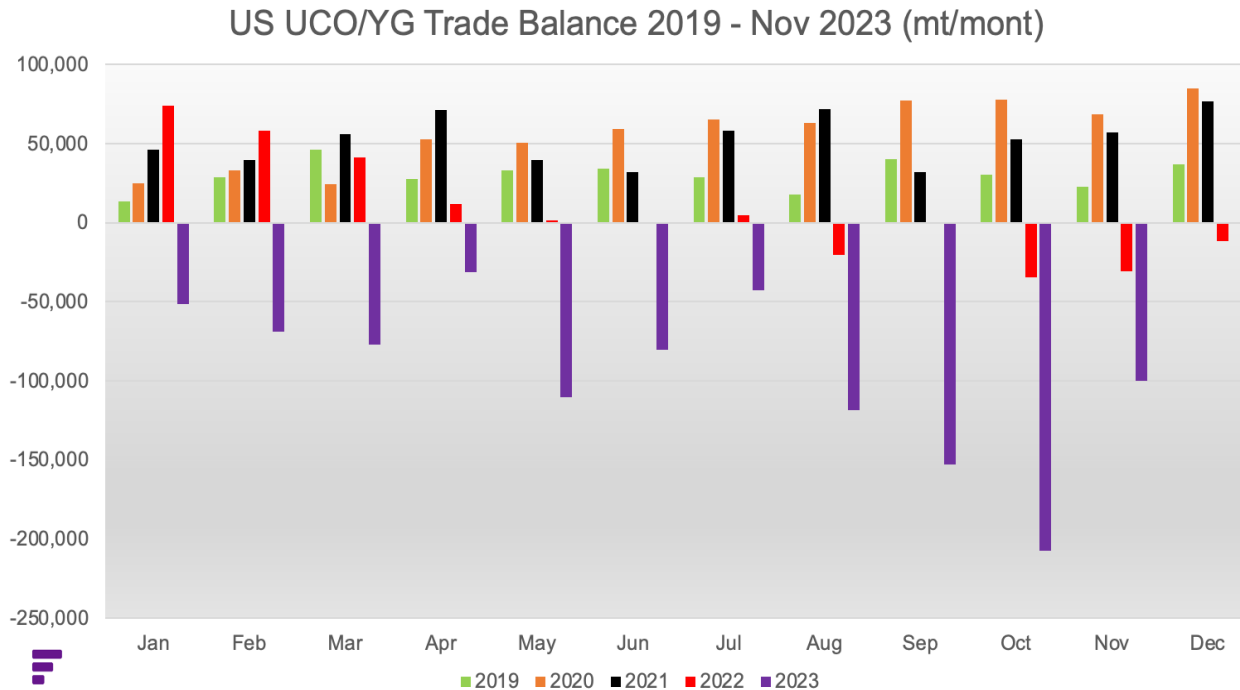


Capacity in the US is outgrowing the mandate

Gasoline demand outlook and potential for further disruption

Sustainable aviation fuel (SAF)

US YG/UCO Trade Balance



Source: USDA FAS, GTT

1.22 MMT of UCO imported to US through November

Origins – China, ANZ, South America and Canada

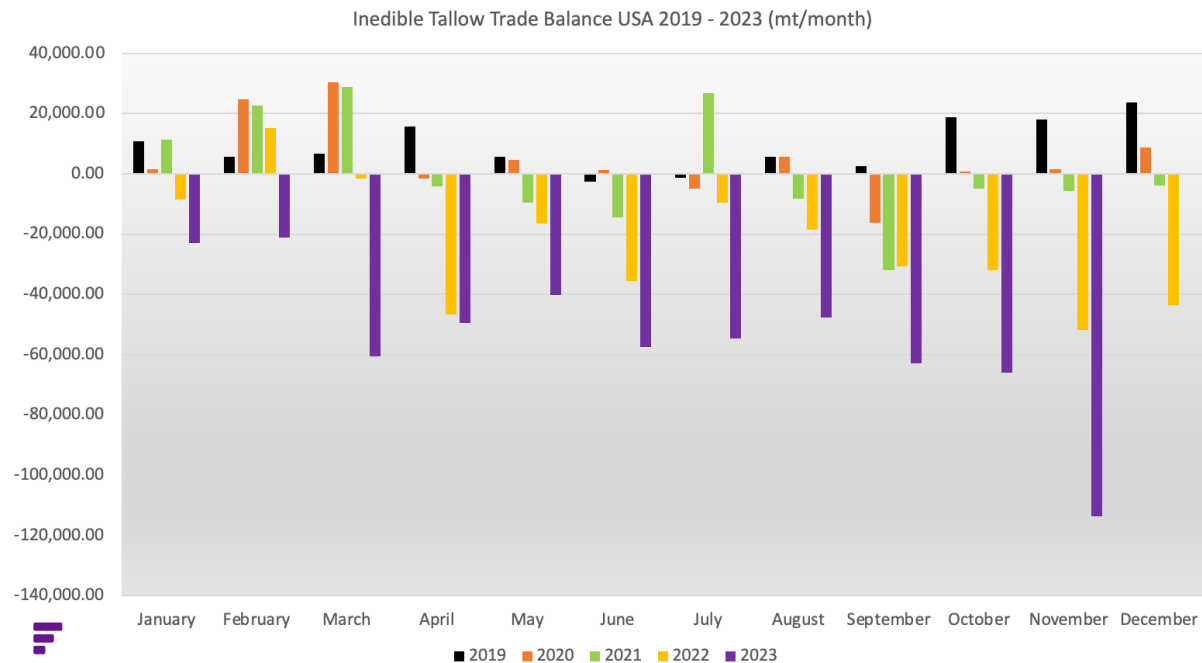
China ~ 49%

Canada, Chile, Australia & New Zealand top five

Imports from UK and NL

219 KT in Oct, 109 in Nov

US Inedible Tallow Trade Balance



1 MMT Trade Deficit

Canada is top exporter to US ~ 190 KT through November.

ANZ and SAM round out top six

Source: USDA FAS, GTT

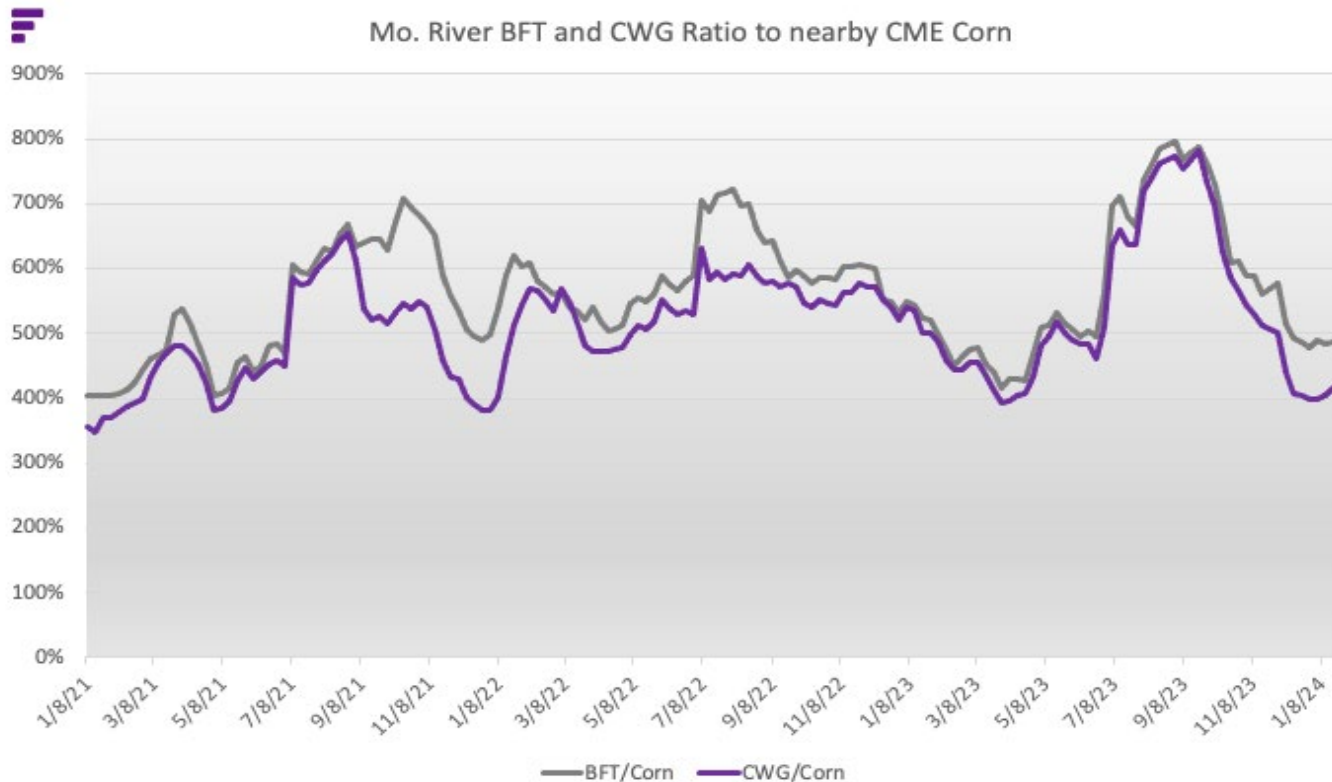
The Return of Corn Ratios?



Fats favorably priced to palm

Working back into historical buy zone vs. corn

More certainty/stability for “non RIN-eligible” fats and oils



Source: Fastmarkets/The Jacobsen

2024 Market Dynamics



- Growth in renewable diesel demand
- Changing trade flows (US & int'l)
- Relatively static domestic supply
- Credit prices and production
- Logistics – big demand centers change the way product is traded
- Capacity utilization
- Geopolitical risk

Final Thoughts...

Big capacity and big demand doesn't necessarily mean big price increases

Volatile period as the market restructures

Logistics will continue to be key

Margin structure best indicator of renewable demand

IRA, Canada and SAF





QUESTIONS?

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