

BIOFUELS CAN

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PLATTS KEY DAILY ETHANOL ASSESSMENTS

		Low-High	Midpoint	Change
United States (¢/gal) (PBF page 210)				
Ethanol Chicago (terminal)	AALRI00	129.70-129.80	129.750	+3.300
Ethanol swap Chicago (Sep)	ESCM001	128.45-128.55	128.50	+3.50
Brazil cargo assessments (\$/cu m) (PBF page 220)				
Ethanol FOB Santos cargo	AAWFO00	384.95-385.05	385.00	+5.00
Northwest Europe (€/cu m) (PBF page 1210)				
Ethanol T2 FOB Rotterdam	AAYDT00	784.00-785.00	784.50	-11.25
Asia Pacific (\$/cu m) (PBF page 2210)				
Bioethanol CIF Philippines	AAWAA00	419.33-421.33	420.33	+4.00

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SPAIN DATA: June biodiesel, ethanol demand recover on month, still down on year

Spain's biodiesel consumption in June rose by 30% on the month but fell by just under 30% on the year to 101,344 mt, data from the country's strategic reserves agency CORES showed Aug. 12.

Ethanol consumption was also up 39% on the month but down 38% on the year to 11,426 mt (14,481 cu m).

Diesel consumption in June amounted for 1,608,406 mt, up 30% on the month and down 18% on the year. This took the biodiesel incorporation rate to 6.30% on a

(continued on page 10)

PLATTS KEY DAILY BIODIESEL ASSESSMENTS

		Low-High	Midpoint	Change
Northwest Europe (\$/mt) (PBF page 1310)				
FAME 0 (RED) FOB ARA	AAWGI00	911.50-916.50	914.00	-12.25
RME (RED) FOB ARA	AAWGI00	1042.75-1047.75	1045.25	+12.75
UCOME (RED) FOB ARA (Eur/mt)	AUMEB00		1128.79	-6.01
UCO (RED) CIF ARA	AUCOA00		801.00	+0.00
Northwest Europe premiums (\$/mt) (PBF page 1313)				
FAME 0 (RED) FOB ARA	AAXNT00	535.25-540.25	537.75	-10.00
RME (RED) FOB ARA	AAXNU00	666.50-671.50	669.00	+15.00
UCOME (RED) FOB ARA	AUMEA00		959.00	-1.00
United States (¢/gal) (PBF page 310)				
Biodiesel B100 SME Chicago	AAURR00	236.75-236.85	236.80	-1.90
Asia (\$/mt) (PBF page 2310)				
Biodiesel FOB Southeast Asia	AAVSV00	791.90-792.10	792.00	+7.00

Brazil to reduce mandatory biodiesel blend to 10% from 12%: minister

- Brazilian soybean oil supplies reach record low
- ANP confirms decision, plans replacement auction

Brazilian Minister of Mines and Energy Bento Albuquerque announced Aug. 13 a temporary reduction in the mandatory biodiesel blending level to 10% from the current 12%. The reduction will be effective for volumes negotiated in the 75th biodiesel auction, which should deliver diesel in the months of September and October 2020.

According to sources, soybean oil

supplies this season reached record lows.

Brazil exported higher-than-usual volumes of the byproduct already this season, and the depreciation of the real against the dollar in the ongoing quarter

(continued on page 10)

BIODIESEL FOB SOUTHEAST ASIA



Source: S&P Global Platts

ETHANOL MARKET COMMENTARY

United States

Platts US Ethanol Daily Commentary

- **Surge in corn prices pulls ethanol higher**
- **R11 continues to draw trade interest**

A soaring corn market forced ethanol values higher on Aug. 13, sparking biofuel prices to their seventh rally in a row.

Front-month corn futures rose 10.75 cents to settle at \$3.2525/bu, the highest level since July 24. The jump in corn values came as the industry was still assessing the damage from the recent derecho that rampaged across the Midwest earlier in the week, and amid doubts about recent US Department of Agriculture data predicting record corn production and yields for the upcoming crop.

Benchmark Chicago Argo jumped 3.30 cents on the day, rising to the highest level since July 23. Since dipping to a 10-week low of \$1.1570/gal on Aug. 4, Argo prices have jumped 12.05 cents.

Chicago R11 rail cars continued to draw interest, rising 3.50 cents on active trading.

"It seems like folks are having a hard time finding rail cars to ship east over Chicago," a source said.

New York Harbor barges for August rose 4.25 cents, the biggest rise of the day, while September barges increased 3.50 cents.

The ethanol crush took a bit of a dip, falling 54 points to 13.59 cents/gal.

Platts US Ethanol Daily Assessment Rationale & Exclusions

S&P Global Platts assessed Chicago Argo ethanol at \$1.2975/gal on Aug. 13.

There were five trades in the Platts Market on Close assessment process for Argo. Trading began on the offer side at \$1.2960/gal and traded progressively higher to \$1.2975/gal. Then a bid rose and matched an offer to trade at \$1.2980/gal. Another bid then rose to the same level and traded again. The outstanding reoffer was \$1.2980/gal at market close. Argo was assessed 5 points below the

outstanding offer.

Platts assessed New York Harbor any-August at \$1.3875/gal and any-September at \$1.3950/gal. Any-August NYH was assessed at a 10.25-cent premium to the September Chicago ethanol swap, up from an 8.50 cent/gal premium equivalent Aug. 12. Any-August was last heard bid at 10 cents and offered at 12 cents above the September Chicago ethanol swap. Platts assessed the September Chicago ethanol swap valued at \$1.2850/gal. Any-September NYH was assessed at an unchanged 11-cent premium to the September Chicago ethanol swap. Any-September was last heard bid at 10 cents and offered at 12 cents above the September Chicago ethanol swap.

This rationale applies to symbol(s) <AAMPF00> <AAUEG00> <AALR100>

Exclusions: No data were excluded from these assessments.

Platts US Ethanol Bids, Offers, Trades

Bids:

CHICAGO ITT ARGO:

PLATTS ETHANOL: AUGUST 18-28: REDWOOD BIDS 5KB AT \$1.2950

PLATTS ETHANOL: AUGUST 18-28: ECO-ENERGY BIDS 5KB AT \$1.2950

PLATTS ETHANOL: AUGUST 18-28: FLINT HILLS BIDS 5KB AT \$1.2900

PLATTS ETHANOL: AUGUST 18-28: VALERO BIDS 5KB AT \$1.2850

PLATTS ETHANOL: AUGUST 18-28: MERCURIA BIDS 5KB AT \$1.2850

PLATTS ETHANOL: AUGUST 18-28: BIOURJA BIDS 5KB AT \$1.2850

PLATTS ETHANOL: AUGUST 18-28: KEMPSTAR BIDS 5KB AT \$1.2850

CHICAGO RULE 11:

PLATTS ETHANOL: AUGUST 16-22: ECO-ENERGY BIDS 145KGAL AT \$1.3150

Offers:

CHICAGO ITT ARGO:

PLATTS ETHANOL: AUGUST 18-28: GUNVOR OFFERS 5KB AT \$1.2980

PLATTS ETHANOL: AUGUST 18-28: SHELL OFFERS 5KB AT \$1.3000

PLATTS ETHANOL: AUGUST 18-28: LINCOLN OFFERS 5KB AT \$1.3050

PLATTS ETHANOL: AUGUST 18-28: VITOL OFFERS 5KB AT \$1.3100

PLATTS ETHANOL: AUGUST 18-28: FLINT HILLS OFFERS 5KB AT \$1.3150

PLATTS ETHANOL: AUGUST 18-28: GUNVOR OFFERS 5KB AT \$1.3200

PLATTS ETHANOL: AUGUST 18-28: REDWOOD OFFERS 5KB AT \$1.3300

PLATTS ETHANOL: AUGUST 18-28: VALERO OFFERS 5KB AT \$1.3300

PLATTS ETHANOL: AUGUST 18-28: BIOURJA OFFERS 5KB AT \$1.3300

Trades:

CHICAGO ITT ARGO:

PLATTS ETHANOL: AUGUST 18-28: HARVESTONE BUYS FROM SHELL* 5KB AT \$1.2960 (18:13:34)

PLATTS ETHANOL: AUGUST 18-28: BP BUYS FROM SHELL* 5KB AT \$1.2960 (18:13:50)

PLATTS ETHANOL: AUGUST 18-28: ECO-ENERGY BUYS FROM SHELL* 5KB AT \$1.2975 (18:15:40)

PLATTS ETHANOL: AUGUST 18-28: BP BUYS FROM GUNVOR* 5KB AT \$1.2980 (18:18:50)

PLATTS ETHANOL: AUGUST 18-28: VALERO SELLS TO ECO-ENERGY* 5KB AT \$1.2980 (18:20:45)

This assessment commentary applies to the following market data codes: <AALR100>, <AAMPF00>, <AAUEG00>, <AAVWD00>, <AATGJ00>, <AAMFT00>

Platts US California Ethanol and LCFS Assessment Rationale

S&P Global Platts assessed third-quarter California Low Carbon Fuel Standard carbon credits Aug. 13 at \$190/mt, based on the last heard bid-offer range for prompt credits at \$189/mt and \$191/mt.

Platts assessed for fourth-quarter credits at \$190/mt,

based on a flat structure for 2020 credits and a last heard offer of \$192/mt for any-2020 credits. Platts assessed the this week shipment delivered Northern California ethanol market with 70 CI at \$1.6475/gal, up 3.5 cents and moving in line with the September Chicago ethanol swap. Platts assessed this week shipment delivered Northern California ethanol market with 91.98 CI at \$1.3075/gal. The value was normalized to 91.98 CI using the Platts LCFS credit assessment.

This rationale applies to symbol(s) <AAXYA00> <AAXYZ00> <AAMNK00> <AAMFT00>

Platts US RINs Daily Assessment Rationale & Exclusions

D6 RINs for 2020 were assessed Aug. 13 at 41.50 cents/RIN, the last traded level.

D6 RINs for 2019 were assessed at an unchanged 2.5-cent discount to 2020 D6 RINs, where the spread last traded. D6 RINs for 2021 were assessed at an unchanged 2.5-cent premium to 2020 D6 RINs.

D4 RINs for 2020 were assessed at 62 cents/RIN, the last traded level and within a 61.50-63 cents/RIN bid-offer range. D4 RINs for 2019 were assessed at an unchanged 1-cent premium to D4 2020 RINs. D4 RINs for 2021 were assessed at an unchanged 2.25-cent discount to 2020 D4 RINs.

D5 RINs for 2020 were assessed an unchanged 2-cent discount to 2020 D4 RINs. D5 RINs for 2019 were assessed at an unchanged 2-cent discount to 2019 D4 RINs. D5 RINs for 2021 were also assessed at an unchanged 2-cent discount to their 2021 D4 counterparts.

D3 RINs for 2020 were assessed unchanged at \$1.44/RIN. D3 RINs for 2019 were assessed unchanged at \$1.43/RIN, maintaining a discount to 2020 D3 RINs. D3 RINs for 2021 were assessed unchanged at \$1.33/RIN.

This rationale applies to symbol(s) <RINCY01> <RINCY02> <RINCY03> <ABRCY01> <ABRCY02> <ABRCY03> <BDRCY01> <BDRCY02> <BDRCY03> <CBRCY01> <CBRCY02> <CBRCY03>

Exclusions: No data was excluded from the assessment.

Platts US RINs Bids, Offers, Trades

Bids: None.

Offers: None.

US ETHANOL PRICE ASSESSMENTS

		Low-High	Midpoint	Change
United States (¢/gal) (PBF page 210)				
Ethanol Chicago (terminal)	AALRI00	129.70-129.80	129.750	+3.300
Ethanol Chicago (Rule 11)	AAVND00	132.70-132.80	132.75	+3.50
Ethanol swap Chicago (Sep)	ESCM001	128.45-128.55	128.50	+3.50
Ethanol swap Chicago (Oct)	ESCM002	125.70-125.80	125.75	+3.00
Ethanol NYH Barge (Aug)	AAMPF00	138.70-138.80	138.750	+4.250
Ethanol NYH Barge (Sep)	AAUEG00	139.45-139.55	139.500	+3.500
Ethanol Houston 5-15 Tank	AATGJ00	137.95-138.05	138.00	+2.50
North California Rail (¢/gal) (PBF page 210)				
Ethanol North Cal	AAMFT00	130.70-130.80	130.75	+3.50
Ethanol N. Cal spread to Chicago swap (Sep)	AAVXD00		2.25	+0.00
Ethanol North Cal 70 CI	AENCA00	164.70-164.80	164.75	+3.50
Ethanol North Cal 70 CI spread to Chicago swap	AENCB00		36.25	+0.00
LCFS Carbon Credits (\$/mt) (PBF page 214)				
Front quarter (Q3)	AAXYA00	189.75-190.25	190.00	-3.00
Second quarter (Q4)	AAXYZ00	189.75-190.25	190.00	-3.00
Ethanol: CI value per point (¢/gal)	ACIVA00		1.55	+0.00

US DRIED DISTILLER GRAINS PRICE ASSESSMENTS (\$/ST) (PBF page 501)

		Low-High	Midpoint	Change
CIF New Orleans barge	AADDG00	178.95-179.05	179.00	+4.00
FOB Chicago truck	ACDDG00	145.95-146.05	146.00	+3.00

Trades: None.

This assessment commentary applies to the following market data codes: <RINCY01>, <RINCY02>, <RINCY03>, <ABRCY01>, <ABRCY02>, <ABRCY03>, <BDRCY01>, <BDRCY02>, <BDRCY03>, <CBRCY01>, <CBRCY02>, <CBRCY03>

Platts US Distiller Grains DDGS Daily Commentary

- DDGS markets higher
- Iowa production in focus

US DDGS export markets were stronger on Aug. 13, with bid-ask ranges moving higher in both the CIF New Orleans barge and Channahon truck markets.

Market participants cited ongoing concerns about corn production loss in Iowa as driving bids higher, though some sources remained less convinced. However, the corresponding rally in CBOT corn and soybean meal futures

further supported DDGS values on the day.

USDA's increased estimate for old crop corn exports was also said to be providing some bullish undertone to the market. Prompt DDGS for August shipment was said to be particularly tight. Although no nearby trading was heard, trades were heard in the October through December period.

Platts US Dried Distiller Grains DDGS Daily Assessment Rationale

The New Orleans CIF DDGS barge market for August was assessed higher by \$4/st at \$179/st on Aug 13.

Bids for August shipment were last heard at \$178/st, against offers at \$182/st. No trades were heard at the close.

The prompt Chicago FOB DDGS assessment was higher by \$3/st at \$146/st for August trucks. The market was last heard bid at \$145/st against offers at \$150/st.

Brazil

Platts Brazil Ethanol Daily Commentary

- CS hydrous ethanol prices unchanged on day
- Petrobras institutes 3.97% gasoline price increase

Hydrous ethanol prices in Brazil's key Center-South region were unchanged Aug. 13, with trades heard at Real 2,060/cu m ex-mill Ribeirao Preto in the late afternoon.

Anhydrous ethanol prices in the Center-South were weaker Aug. 13, with bids heard at Real 2,050/cu m and offers heard at Real 2,060/cu m ex-mill Ribeirao Preto in the late afternoon.

Petrobras instituted an average gasoline price increase of 3.97% at refineries effective Aug. 13. This 10th price increase since May 7 lifts the cumulative climb to 85.8%, and reflects a gradual recovery in international energy markets as well as the real's weakness against the dollar. It also solidifies the reversal of the 12 price cuts instituted prior to May 7.

Petrobras utilizes a fuel pricing policy, which include international energy and foreign exchange components, to ensure Brazilian domestic prices are in line with international markets.

CS mills strategically sold hydrous and anhydrous ethanol at elevated prices upon Petrobras' announced gasoline price increase on Aug. 12, but demand subsided on Aug. 13 with a lack of buying interest from distributors.

"The majority of Center South distributors replenished their ethanol stocks at the beginning of the month to cover demand through the end of August," said a Sao Paulo based trader.

Most distributors have entered into long-term purchase agreements to cover 30% – 60% of their annual demand for hydrous ethanol and to cover 74% of their annual demand for anhydrous ethanol demand.

Any volumes needed beyond these long-term purchase agreements with hydrous and anhydrous ethanol are bought in the spot market.

The decreased demand for ethanol since the start of the pandemic has allowed the majority of distributors in the

RENEWABLE IDENTIFICATION NUMBER (RIN)

(c/RIN)	Rolling code	Calendar code	Low-High	Midpoint	Change
Ethanol (D6) (PBF page 201)					
RIN Calendar-Year 2019	RINCY01	RD62019	38.95-39.05	39.00	+2.75
RIN Calendar-Year 2020	RINCY02	RD62020	41.45-41.55	41.50	+2.75
RIN Calendar-Year 2021	RINCY03	RD62021	43.95-44.05	44.00	+2.75
Biodiesel (D4) (PBF page 301)					
RIN Calendar-Year 2019	BDRCY01	RD42019	62.95-63.05	63.00	+1.75
RIN Calendar-Year 2020	BDRCY02	RD42020	61.95-62.05	62.00	+1.75
RIN Calendar-Year 2021	BDRCY03	RD42021	59.70-59.80	59.75	+1.75
Advanced biofuel (D5) (PBF page 201)					
RIN Calendar-Year 2019	ABRCY01	RD52019	60.95-61.05	61.00	+1.75
RIN Calendar-Year 2020	ABRCY02	RD52020	59.95-60.05	60.00	+1.75
RIN Calendar-Year 2021	ABRCY03	RD52021	57.70-57.80	57.75	+1.75
Cellulosic biofuel (D3) (PBF page 201)					
RIN Calendar-Year 2019	CBRCY01	RD32019	142.95-143.05	143.00	+0.00
RIN Calendar-Year 2020	CBRCY02	RD32020	143.95-144.05	144.00	+0.00
RIN Calendar-Year 2021	CBRCY03	RD32021	132.95-133.05	133.00	+0.00

The calendar codes indicate the traditional full calendar year codes for Platts RINs assessments, while the supplementary rolling codes are unique to the specific calendar-year RINs.

PLATTS US RENEWABLE VOLUME OBLIGATION – CALCULATED VALUES (PBF page 302)

		¢/gal	Change			¢/gal	%/gal				
				Biodiesel		Ethanol		Advanced Biofuel		Cellulosic	
2019 RVO	RV0Y019	5.0977	+0.2705	RVBY019	1.7300	RVEY019	8.2600	RVAY019	0.7500	RVCY019	0.2300
2020 RVO	RV0Y020	5.6671	+0.2827	RVBY020	2.1000	RVEY020	8.6300	RVAY020	0.4900	RVCY020	0.3400
Current Year	RV0R002										
2021 RVO	RV0Y021	NA	NA	RVBY021	NA	RVEY021	NA	RVAY021	NA	RVCY021	NA

RVOs are Renewable Volume Obligation values. RVO is the aggregate cost of the Renewable Identification Number percentages per gallon of transportation fuel for biodiesel, ethanol, advanced biofuel, and cellulosic ethanol as mandated by US Environmental Protection Agency in Renewable Fuel Standard Program (RFS2). Platts calculates these RVO values factoring the value of biodiesel, ethanol, advanced biofuel and cellulosic biofuel RIN credits as assessed by Platts for the respective RVO years; RINs are assessed as cents/RIN.

ETHANOL PRICES AT KEY RACK LOCATIONS (¢/gal)

	Des Moines	Grand Forks	Kansas City	Minneapolis	Omaha	Sioux Falls	Tulsa
C&N Eth	DE059TV 133.00	DE175TV 135.00	DE099TV 141.00	DE141TV 135.00	DE185TV 137.00	DE256TV 136.00	
BioUrja	DE059QB 139.00	DE175QB 135.00	DE099QB 138.00	DE141QB 134.00	DE185QB 133.00	DE256QB 137.00	DE229QB 149.00
FI Hills	DE059IF 131.00	DE175IF 128.00	DE099IF 135.00	DE141IF 132.00	DE185IF 132.00	DE256IF 129.00	
Hartland	DE059UJ 140.00		DE099UJ 138.00	DE141UJ 143.00	DE185UJ 146.00	DE256UJ 169.00	DE229UJ 154.00
RPMG	DE059QW 131.00	DE175QW 130.25	DE099QW 139.00	DE141QW 131.25		DE256QW 132.50	DE229QW 151.25
Western		DE175FN 140.00	DE099FN 147.00	DE141FN 141.00	DE185FN 142.00	DE256FN 138.00	DE229FN 159.00

Prices effective as of 12:01 am EST 13AUG20, provided by DTN.

CS to meet the current demand for ethanol with volumes already agreed upon.

Looking ahead, if the spread of the coronavirus in Brazil slows and quarantines are relaxed further, fuel demand will likely increase and most distributors and mills expect a much busier ethanol spot market, especially in the anhydrous ethanol spot market during the second half of 2020, according to several market sources.

Since April 1, mills have been taking advantage of the higher premium sugar production that is paying over ethanol production and maximized their sugar production as much as possible.

The ICE October NY11 sugar futures contract settled Aug. 13 at a 3.24 cents/lb premium to hydrous ethanol in raw sugar equivalent.

Platts Brazil FOB Santos Anhydrous Ethanol Daily Rationale

FOB Santos anhydrous ethanol for loading 10-30 days forward was assessed at \$385/cu m Aug. 13, up \$5 from Aug. 12.

FOB anhydrous ethanol prices were higher Aug. 13 because an appreciation in the Brazilian real against the US dollar offset weaker domestic anhydrous ethanol prices.

S&P Global Platts assessed domestic anhydrous ethanol at Real 2,055/cu m ex-mill Ribeirão Preto, Real 5/cu m above the last bid heard at Real 2,050/cu m and Real 5/cu m below the last offer heard at Real 2,060/cu m ex-mill Ribeirão Preto, down Real 15/cu m from Aug. 12.

Platts assessed hydrous ethanol ex-mill Ribeirão Preto at Real 2,060/cu m, at the last heard traded price, unchanged from Aug. 12.

Platts assessed Grade B, FOB Santos for 20-30 days forward loading at \$371/cu m, up \$7 from Aug. 12. Grade B prices were stronger Aug. 13 primarily because of an appreciation in the Brazilian real against the US dollar.

In the FOB assessments, Platts considered a stronger Brazilian real against the US dollar at Real 5.3755/\$1 from Real 5.4833/\$1 on Aug. 12.

This rationale applies to symbol(s) <AAWF000>

BRAZIL ETHANOL PRICE ASSESSMENTS

Brazil Cargo Assessments (PBF page 220)

		Low-High	Midpoint	Change
Ethanol FOB Santos Cargo (¢/gal)	AATAE00	145.65-145.75	145.70	+1.90
Ethanol FOB Santos Cargo (\$/cu m)	AAWF000	384.95-385.05	385.00	+5.00
Ethanol FOB Santos Cargo (R\$/cu m)	AAWFP00	2069.55-2069.65	2069.60	-14.10

Hydrous ANP (PBF page 223)

Domestic Ex-mill Ribeirão with taxes (R\$/cu m)	AAXNQ00	2055.00-2065.00	2060.00	+0.00
FOB Santos/Paranagua (\$/cu m)	AAXNR00	338.50-343.50	341.00	+7.00

Anhydrous ANP (PBF page 223)

Domestic Ex-mill Ribeirão with taxes (R\$/cu m)	AAXNN00	2050.00-2060.00	2055.00	-15.00
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Grade B (PBF page 223)

FOB Santos/Paranagua (\$/cu m)	AAXNS00	368.50-373.50	371.00	+7.00
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Daily Prices (PBF page 226)

Spot Ex-mill Ribeirão Hydrous expressed as Raw Sugar equivalent (basis 96 degrees pol) (¢/lb)	AAXOA00	9.86-9.88	9.87	+0.18
Spot FOB Anhydrous direct to FOB NY (inc. D5 value) (\$/gal)	AAXNO00	1.06-1.08	1.07	+0.00
Spot FOB Anhydrous direct to FOB NY (inc. D5 value) (\$/cu m)	AAXNP00	280.02-285.30	282.66	+0.00

RIN D6 ETHANOL YEAR 2



ETHANOL T2 FOB ROTTERDAM



Northwest Europe

Platts European Ethanol Daily Commentary

- Imports to ease tightness, but undenatured availability uncertain
- Spain ethanol blending rate rises in first half of 2020

T2 ethanol slid Eur11.25 on the day to Eur784.50/cu m FOB Rotterdam on Aug. 13, with bids not climbing as high as earlier in the week.

The Amsterdam-Rotterdam-Antwerp spot market remained short even as imports at the end of August and September are expected to alleviate the situation. Sources

quoted sizable volumes to be arriving from Brazil, Peru and the US, but it was difficult to distinguish between fuel and non-fuel ethanol. Nevertheless, many pointed out that the majority of imported material will be denatured upon arrival, which cannot be sold as fuel ethanol in several markets and in the Platts Market on Close Assessment process. Even with imports, sources were surprised by the extremely steep backwardation especially on the prompt and lack of inflows into ARA from across Europe. This suggested low stocks not just in ARA, but also large parts of Europe.

Demand uncertainty was seen weighing on the curve. Although most European countries have significantly eased lockdown measures since April, most have been hit by fresh outbreaks, with some partial and localized lockdowns implemented to contain rising infection rates. These could increase as tourism flows rise and schools start to reopen. A source noted that several market participants have likely had a difficult Q2, which was also reducing any risk taking appetite.

Recent data from Spain showed that ethanol consumption in June recovered 39% on the month but was still down 38% on the year at 11,426 mt (14,481 cu m). The sales of ethanol in the first half of the year were down 19% to 83,430 mt. The blending rate, however, was slightly higher at 4.77% from 4.06% in the equivalent period of 2019.

Platts European Ethanol Daily Assessment Rationale & Exclusions

S&P Global Platts assessed T2 ethanol at Eur784.50/cu m FOB Rotterdam Aug. 13, down Eur11.25/cu m from Aug. 12. Platts assessed Aug. 23 loading at Eur784.46/cu m, reflecting an unchanged premium of Eur135.63/cu m for the physical assessment over paper on equivalent dates. The average paper value over physical loading dates was assessed at Eur648.82/cu m from Eur660.24/cu m. The physical structure was assessed in a backwardation of Eur1.09/cu m a day, changed from Eur1.53/cu m, in line with the balance-month versus front-month paper structure.

This rationale applies to symbol(s) <AAYDT00>

Exclusions: No data was excluded from the assessment.

NORTHWEST EUROPE ETHANOL PRICE ASSESSMENTS

		Low-High	Midpoint	Change
Northwest Europe (PBF page 1210)				
Ethanol T2 FOB Rotterdam German Spec (€/cu m)	AAVLD00	784.00-785.00	784.50	-11.25
Ethanol T2 FOB Rotterdam (€/cu m)	AAVDT00	784.00-785.00	784.50	-11.25
Ethanol T2 FOB Rotterdam German Spec (\$/cu m)	AAVLD10	927.39-928.58	927.99	-10.60
Ethanol T2 FOB Rotterdam (\$/cu m)	AAVDT10	927.39-928.58	927.99	-10.60
Ethanol T1 FOB Rotterdam (\$/cu m)	AAWUQ00	443.00-444.00	443.50	+8.00
Ethanol T1 CIF NWE Cargo (\$/cu m)	AAVDS00	431.00-432.00	431.50	+8.00

Northwest Europe Swaps Assessments (€/cu m) (PBF page 1610)

M1 (Sep)	AAACL00	623.50-624.50	624.00	+0.00
M2 (Oct)	AAACM00	580.50-581.50	581.00	+1.00
M3 (Nov)	AAACN00	559.50-560.50	560.00	+5.00
M4 (Dec)	AAACQ00	557.50-558.50	558.00	+4.00
M5 (Jan)	AAACP00	547.50-548.50	548.00	-3.00
M6 (Feb)	AAACQ00	548.50-549.50	549.00	+0.00

ETBE PRICE ASSESSMENTS

		Low-High	Midpoint	Change
Northwest Europe (\$/mt) (PBF page 1420)				
ETBE FOB AR	AASLQ00	697.00-697.50	697.25	+14.00
ETBE premium to MTBE	AASLQ02		247.25	+13.50

ASIAN ETHANOL PRICE ASSESSMENTS

		Low-High	Midpoint	Change
Fuel grade (\$/cu m) (PBF page 2210)				
Bioethanol CIF Philippines	AAWAA00	419.33-421.33	420.33	+4.00
Bioethanol CIF Philippines H2 Sep	AAWAB00	419.00-421.00	420.00	+2.00
Bioethanol CIF Philippines H1 Oct	AAWAC00	419.00-421.00	420.00	+4.00
Bioethanol CIF Philippines H2 Oct	AAWAE00	420.00-422.00	421.00	+6.00
Industrial (\$/cu m) (PBF page 2210)				
Ethanol Grade B CFR Ulsan	AAXVA00	519.00-521.00	520.00	+0.00

Platts European Ethanol Daily Bids, Offers, Trades

Bids:

PLATTS T2 ETHANOL: FE: AUGUST 18-22: BP BIDS OCO
1KMT AT EUR753.00

PLATTS T2 ETHANOL: MW: AUGUST 21-25: ALCODIS BIDS
1KMT AT EUR760.00

PLATTS T2 ETHANOL: MW: AUGUST 21-25: BP BIDS OCO
1KMT AT EUR753.00

PLATTS T2 ETHANOL: BE: AUGUST 24-28: BP BIDS OCO
1KMT AT EUR753.00

Offers:

NO OFFERS REPORTED

Trades:

NO TRADES REPORTED

This assessment commentary applies to the following market data codes: <AAYDT00>

Asia

Platts Asia Ethanol Daily Commentary

- Ulsan buyers could make purchases for 2021 soon
- Stocks dropped 596,000 barrels

Asia fuel ethanol marker continued to climb Aug. 13 on the back of rising US ethanol values.

A positive stock and production data gave US ethanol prices a boost. The weekly report from the US Energy Information Administration showed production fell to 918,000 b/d for the week ended Aug. 7, a dip of 13,000 b/d week on week. Stocks dropped 596,000 barrels in the same week.

In the Philippines, activities were slow-moving with market participants assessing demand requirements.

Separately, in the Ulsan beverage market, a market participant reported that Japanese buyers had bought 20% more Brazilian Grade B this session [2020-21] than last year, and while inquiries were heard, nobody is in a hurry to purchase.

“Maybe next week, there will be purchasing for next year cargoes,” he said. “If Pakistani ENA bulk is around \$700s/mt FOB Karachi, there could be a chance that Japanese trading houses will take a look at the cargoes.”

BIODIESEL PRICE ASSESSMENTS

		Low-High	Midpoint	Change
Northwest Europe (\$/mt) (PBF page 1310)				
FAME -10 (RED) FOB ARA	AAWGH00	1034.00-1039.00	1036.50	+10.75
FAME 0 (RED) FOB ARA	AAWGI00	911.50-916.50	914.00	-12.25
PME (RED) FOB ARA	AAXNZ00	871.50-876.50	874.00	-12.25
RME (RED) FOB ARA	AAWKG00	1042.75-1047.75	1045.25	+12.75
SME (RED) FOB ARA	AAWGI00	955.25-960.25	957.75	-4.00
UCOME (RED) FOB ARA (Eur/mt)	AUMEB00		1128.79	-6.01
UCO (RED) CIF ARA	AUCOA00		801.00	+0.00
Northwest Europe differential to ICE gasoil (\$/mt) (PBF page 1313)				
FAME 0 (RED) FOB ARA	AAXNT00	535.25-540.25	537.75	-10.00
PME (RED) FOB ARA	AAXNY00	495.25-500.25	497.75	-10.00
RME (RED) FOB ARA	AAXNU00	666.50-671.50	669.00	+15.00
SME (RED) FOB ARA	AAXNX00	579.00-584.00	581.50	-1.75
UCOME (RED) FOB ARA	AUMEA00		959.00	-1.00
Asia (\$/mt) (PBF page 2310)				
Biodiesel FOB Southeast Asia*	AAVSV00	791.90-792.10	792.00	+7.00
United States (¢/gal) (PBF page 310)				
Biodiesel B100 SME Chicago	AAURR00	236.75-236.85	236.80	-1.90
Biodiesel B100 SME Houston	AAURS00	231.75-231.85	231.80	-1.90

*Loadings in Southeast Asia normalized to Port Klang, Pasir Gudang and Lahad Datu.

Delivered by truck or rail to location, 3-10 days ahead.

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Editorial: Singapore +65-6530-6530. London +44-20-7176-6063.
Montreal: +1 514 402-9106. Houston +1-713-658-3228. Brazil: +55-11-2626-0648.

Contact Platts support: support@platts.com; Americas: +1-800-752-8878;
Europe & Middle East: +44-20-7176-6111; Asia Pacific: +65-6530-6430

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Platts Asia Ethanol Daily Assessment Rationale

Asian fuel ethanol increased by \$4/cu m to \$420.33/cu m CIF Philippines on Aug. 13 tracking stronger US futures.

Grade B ethanol was assessed unchanged at \$520/cu m for cargoes arriving between Oct. 12 and Nov. 11 with no disproving information.

This rationale applies to symbol(s) <AAWAA00> <AAWAB00> <AAWAC00> <AAWAD00> <AAXVA00>

BIODIESEL MARKET COMMENTARY

United States

Platts US Biodiesel Daily Commentary

- RINs extend gains
- BO-HO retreats

The US biodiesel market saw blending economics improve modestly Aug. 13 as the BO-HO retreated while associated D4 RINs continued to climb.

Sources continued to say that buying interest was thin, with much of the third quarter booked in the first week of July and little to no Q4 interest.

RINs markets appeared to stabilize after a bearish report that could signal additional small refinery exemptions on the horizon. Current-year D4 RINs lost nearly 5% of their value in the days following the report, but have regained some lost ground.

Feedstock soybean oil futures retreated after their spike on Aug. 12, bringing the BO-HO 1.04 cents lower on the day to 109.08 cents/gal.

Platts SME Biodiesel Daily Rationale

The Chicago SME biodiesel market was assessed Aug. 13 at \$2.3680/gal, at an unchanged \$1.13/gal premium to the NYMEX September ULSD futures contract.

The US Gulf Coast SME biodiesel market was assessed at \$2.3180/gal, at an unchanged 5-cent discount to Chicago product.

This rationale applies to symbol(s) <AAURR00><AAURS00>

Northwest Europe

Platts European Biodiesel Daily Commentary

- RME-FAME O spread widens to \$131.25
- Spain biodiesel demand in June recovers on month

The RME spot market remained active with 14,000 mt trading, versus 2,000 mt on FAME O. The RME premium gained \$15 to \$669/mt FOB ARA, while the FAME O premium shed \$10 to \$537.75/mt FOB ARA, amid minimal declines in gasoil futures and stronger vegoil market. The RME-FAME O spread continued to widen by \$25 on the day to \$131.25.

Fuel and biofuel demand have been on a strong recovery path, but with most of the RME spot deals done by the same buyer, many are wondering how all this volume is going to be absorbed. In addition, while demand is improving, it is still below expectations for this time of year.

Recent data by Spain's strategic reserves agency CORES showed that biodiesel consumption in June rose by 29.9% on the month but was still down by 29.8% on the year at 101,344 mt. The sales of biodiesel in the first half of the year fell by 35.4% to 563,619 mt. The blending rate was on average 6.33%, down from 7.54% in the equivalent period of 2019.

Road fuel sales in the UK rose to 88% of pre-lockdown levels in the last week of July, according to official figures. Average sales of gasoline and diesel in the week to Aug. 2 rose 5% on the previous week to 15,570 liters per fuel station, according to data released Aug. 6 by the UK's Department for Business, Energy and Industrial Strategy.

In contrast, mobility in Europe's other top four economies took a slide and has now failed to show improvement since early-July, the latest Google data showed. Average mobility indices in Germany, France, Italy, and Spain stood at 17% below pre-crisis levels in the week ended Aug. 2.

Platts European Biodiesel Daily Assessment Rationale

The premium for RED FAME O over ICE gasoil was assessed at \$537.75/mt on Aug. 13, down \$10/mt from Aug. 12. The premium for RED RME over ICE gasoil was assessed at

\$669/mt FOB ARA, up \$15/mt on the day. The UCOME premium was assessed \$1/mt lower at \$959/mt FOB ARA, while UCO was assessed unchanged on the day at \$801/mt CIF ARA. The differential for biodiesel with minimum 57% greenhouse gas savings versus minimum 50% GHG savings was assessed at flat.

The value for RED FAME O loading on Aug. 22 was assessed at a premium of \$540/mt, reflecting the most competitive offer down to and trade heard at that level. An offer heard live at close at \$550/mt was also considered. The value for RED RME loading on Aug. 22 was assessed at a premium of \$670/mt, reflecting six trades heard at that level demonstrating the level was repeatable and an offer heard live at close at \$674/mt. The premium for RED PME over ICE gasoil for loading on Aug. 22 was assessed at a premium of \$500/mt FOB ARA, reflecting a discount of \$40/mt to FAME O. The value for UCOME loading on Aug. 22 was assessed at \$959/mt reflecting an offer heard live at close at \$960/mt. UCO CIF ARA loading 15-30 days forward was assessed at \$801/mt, on a lack of disproving market data. The structure for RED FAME O and RED PME was assessed unchanged in a daily backwardation of \$2.25/mt, while the structure for RED RME was assessed unchanged in a daily backwardation of \$1/mt, on a lack of disproving market data. The structure for UCOME was assessed unchanged at flat on a lack of disproving market data.

This rationale applies to symbol(s) <AAXNT00>, <AAXNU00>, <AAXNY00>

Asia

Platts Asia Biodiesel Daily Commentary

- Interest for distilled PME reported
- CPO production in Malaysia, Indonesia not seen rising

Some buying interest for distilled PME from the European side was reported on Aug. 13.

"I heard a bid around \$750/mt FOB Malaysia, but I do think it is really serious," said a Malaysia-based producer.

Elsewhere, buyers of RED PME sat at \$780/mt FOB Malaysia for September and October while the nearest offer

was reported at \$830-\$840/mt FOB Malaysia.

Meanwhile, market participants on both Malaysia and Indonesia reported expecting CPO production numbers for August to be bullish.

"I expected Malaysia production to be negative or at most a plus 5% growth month on month," said a second Malaysia-based producer.

Another Indonesia-based producer was expecting Indonesia production numbers to get better only in September. "For a multitude of reasons, CPO production is coming in slower," he said.

Bursa Malaysia Exchange's active CPO futures ended at MR2,718/mt, up 1.12% on the day.

Platts Asia Biodiesel Daily Assessment Rationale

RED PME was assessed higher by \$7/mt at \$792/mt FOB South East Asia on Aug. 13 for September-loading, following Bursa Malaysia third month CPO futures higher, above indicative FOB Malaysia RED PME bid at \$780/mt and under RED PME FOB Malaysia indicative offer for September at \$830/mt.

This rationale applies to symbol(s) <AAVSV00>

BIOFUELS INDUSTRY NEWS

Weekly US soybean net export sales up on steady China buying

US soybean weekly net export sales for old crop were 570,114 mt for the week ended Aug. 6, with 420,511 mt listed for China, according to US Department of Agriculture data released Aug. 13.

The old crop net export sales were up 65% from the week-ago volume and up 96% from the previous four-week average.

Net export sales for new crop soybeans were shown at 2.839 million mt, with 1.705 million mt listed for China.

Since the 2019-20 marketing year began Sept. 1, total commitments – cumulative exports plus outstanding sales – were reported at 47.511 million mt. The yearly total was

shown 3.8% below the year-ago total volume during the same week. The total commitments represents 105.8% of the USDA's 44.906 million mt estimate for exports for the entire marketing year.

Besides China the top sales destinations for the week were the Netherlands with 144,257 mt, Japan with 64,463 mt and Egypt with 49,575 mt. The report also showed a 191,000 mt reduction in net export sales for unknown destinations.

Total accumulated export volume for the year has reached 41.065 million mt, which is 4.4% below the same period last year.

US DATA: CARB transfer prices higher on week

California's Low Carbon Fuel Standard carbon credit transfer values rose for the week ended Aug. 9, Air Resources Board data showed.

The volume-weighted average price in the most recent week of data was \$200.32/mt, up from the previous week's average of \$197.04/mt. The lowest transfer was at \$191/mt, while the highest was at \$206/mt, the data showed.

There were 102,268 mt transferred, with a total value of \$20.49 million.

The weekly transfers are not necessarily representative of the current market, but are the credits transferred in the last week. If two parties traded last week for credits in the first quarter, that transaction will appear when the credits transfer in the first quarter, not in last week's report.

S&P Global Platts assessed third-quarter LCFS carbon credits at \$194/mt on Aug. 11.

The average credit transfer in July slid modestly from June, according to additional data from the Air Resources Board. The average value of July's 2.509 million transferred credits was \$199/mt, down from June's \$202/mt.

LCFS credits are generated as obligated parties produce fuels below the annual carbon intensity requirement. For example, in 2020 the gasoline standard is 91.98 CI. If a party produces gasoline that is 90 CI, it generates credits that

PLATTS FUTURES ASSESSMENTS (PBF page 2)

Singapore close

BMD CPO Mo3 (MYR/mt)	BMAAA03	2717.00	+29.00
ICE Gasoil Mo3 (\$/mt)	IGOSB03	387.75	+4.25
PO-GO (\$/mt)	POVG000	260.39	+2.94

London close

ICE LS Gasoil Mo1 (\$/mt)	AARIN00	376.25	-2.25
ICE LS Gasoil Mo2 (\$/mt)	AARIO00	381.25	-2.25
BO-GO (\$/mt)	CBAAA00	324.38	+8.20
NYSE Liffe Paris milling wheat (€/mt)	NLAAC00	178.25	+0.75
NYSE Liffe Paris rapeseed (€/mt)	NLAAB00	376.50	+1.00
NYSE Liffe Paris corn (€/mt)	NLAAA00	164.00	-0.25
CBOT soybean oil (¢/lb)	CBAAE00	31.78	+0.27
CBOT corn (¢/bu)	CBAAG00	324.00	+14.75
CBOT soybean meal (\$/st)	CBAAC00	290.20	+8.10

US close

CBOT soybean oil (¢/lb)	CBAAD00	31.60	-0.40
CBOT corn (¢/bu)	CBAAF00	325.25	+10.75
CBOT soybean meal (\$/st)	CBAAB00	290.10	+7.90
BO-HO (¢/gal)	CBABG00	109.08	-1.04

PLATTS FOREIGN EXCHANGE ASSESSMENTS (PBF page 2)

Singapore close

USD.MYR	MYRUB00	4.19	+0.00
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London close

EUR.USD	AAFCW00	1.1829	+0.0034
USD.BRL	USBRLL00	5.3739	-0.1064

US close

USD.BRL	USDRE00	5.3755	-0.1078
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can be sold in the market to parties that generated a deficit, or gasoline above 91.98 CI.

Each credit represents 1 mt of carbon emissions.

Grain shipments by rail higher year on year, AAR says

US rail transportation of grain products for the week ended Aug. 8 totaled 22,081 cars, up 3.6% compared with the year-ago week, Association of American Railroads data

showed Aug. 12.

Rail transportation of chemical products was 2.5% lower year on year at 31,297 cars, the data showed. AAR designates fuel-grade ethanol as a chemical product.

Cumulatively, grain shipments are down 6.2% year on year at 664,094 cars. Chemical shipments are down 5.0% to 980,842 cars compared with 2019.

Total carloads for the week ended Aug. 8 saw a 15.6% year-on-year decrease to 220,343 cars, AAR said. Including total intermodal units — which totaled 277,054 units — total US railroad traffic reached 497,397, 6.7% lower year on year, it said.

Through the first 32 weeks of 2020, total rail traffic is down 12.4% year on year.

SPAIN DATA: June biodiesel, ethanol demand recover on month, still down on year [...from page 1](#)

volume basis, down from 6.32% a month earlier and 7.37% in June 2019.

Gasoline consumption posted the strongest recovery, increasing 80% on the month but was still 23% lower than the previous year at 351,473 mt. This brought the ethanol incorporation rate to 3.25% on a volume basis, down from 4.20% the month before and 4.05% in June 2019.

On a cumulative basis, the sales of biodiesel and ethanol in the first half of the year were down 35% and 19%, respectively to 563,619 mt and 83,430 mt. The blending rate however was slightly higher for ethanol at 4.77% from 4.06%. The blending rate for biodiesel was on average 6.33%, down from 7.54% in the equivalent period of 2019.

Brazil to reduce mandatory biodiesel blend to 10% from 12%: minister [...from page 1](#)

boosted soybean farmers' sales for the current crop season, leaving very few tons available for domestic crushers.

In the second half of July, outright FOB soybean oil prices increased sharply, based on strong basis levels for September loading, reaching on \$812.85/mt on July 31, the highest value seen since the beginning of the year. According to sources, there are concerns in the market about the scarcity of soybeans for domestic crush, while at the same time Brazilian demand for soybean oil for use in biodiesel is strong, and soybean oil stocks are low.

"We concluded that there will not be enough biodiesel to fulfill the mandatory mixture of 12% blending for the months of September and October. So we see a need for a blending reduction to 10% during this period," said the minister.

Until the announcement, the Ministry of Mines and Energy had not published any information.

ANP

Late Aug.13 afternoon local time, ANP confirmed the temporary reduction in the mandatory biodiesel blending level to 10% for September and October. According to the regulator, the measure was needed to allow the blending of all of the national diesel supply, once it was determined the biodiesel availability for the period would not be enough to meet demand.

ANP also said auction 75's results had been withdrawn and an additional auction would be scheduled soon for buyers and sellers for the B10 level biodiesel.

Market reaction

Before the ANP statement was issued, sources at BR and Ipiranga, two of Brazil's largest fuel distribution companies, said they were waiting for the regulatory agency to provide clarity on the decision before they took action.

So far in 2020, BR and Ipiranga accounted for a combined 47.83% of Brazilian biodiesel demand, according to ANP.

The sources said it would be necessary to rebalance biodiesel demand among all distributors so the volumes bought in auction 75 were still valid. "While some companies could have a surplus, others could still have a short position to be covered," said a source from Ipiranga, while also noting biodiesel demand would be lower than estimated in the first auction.

Distributors can trade biodiesel outside the auction environment, however, it is uncommon to see large volumes change hands in that way.

SUBSCRIBER NOTES

Platts proposes to assess Chicago packer-grade beef tallow September 21

S&P Global Platts proposes to launch a daily tallow assessment, basis Chicago, on September 21, 2020, to provide more transparency on the biofuels value chain.

Tallow is an animal byproduct used in animal feed, chemicals and biofuel production.

The assessment would reflect one to five rail cars with a typical volume of 175,000 lb of tallow delivered into the greater Chicago area, shipped one-30 days forward. The proposed new assessment would be published as an outright price in cents/lb. The assessment would reflect specifications for all-beef packer tallow as defined by the American Fats and Oils association.

Chicago serves as a hub for tallow trading, with many renderers shipping tallow into Chicago where it is traded and bought for use in different industries. The US produced approximately 3.85 billion pounds of inedible tallow in 2019, according to the US Department of Agriculture.

Please send any feedback, questions or comments to americas_agsspglobal.com and pricegroup@spglobal.com by August 23, 2020.

For written comments, please provide a clear indication if the comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

Platts to change roll date for RVO Jan 4 2021

S&P Global Platts will change the roll date to the first working publishing day of the year for its US Renewable Volume Obligation current year assessments, effective January 4, 2021.

This change follows feedback from market participants that the gasoline and diesel markets typically consider the current calendar year from the start of January instead of following the roll in Renewable Identification Number assessments from the first publishing day of February. The proposal note published May 19 can be found here: www.spglobal.com

Platts will continue to roll its individual year RVO and RIN assessments on the first publishing day of February each year. The current year code (RVOR002) is published in the Platts Biofuelscan, US Marketscan, Latin American Wire, and on Platts Global Alert and Platts Biofuels Alert.

Platts publishes calendar year RVO values for three years that follow the same calendar and publication timings as the corresponding Renewable Identification Number assessments. The current year RVO code was created on June 18, 2018, to reflect the current year RVO value with a roll date of the last working day of

January. For example on January 31, 2019, the RVO rolling assessment was for the 2018 RVO value, then on February 1, 2019, the RVO rolling assessment represented the 2019 RVO value. Under the proposal, the RVO rolling assessment would have represented the 2019 RVO value on January 2, 2019.

RVO is the aggregate cost of the Renewable Identification Number percentages per gallon of transportation fuel for biodiesel, ethanol, advanced biofuel, and cellulosic ethanol as mandated by US Environmental Protection Agency in Renewable Fuel Standard Program (RFS2).

As per Platts methodology, Platts calculates the RVO values factoring the value of D4, D6, D5 and D3 RIN credits as assessed by Platts for the respective RVO year. As these renewable fuels are mandated by the EPA and hence subject to change without prior notice, Platts will update the Platts RVO formulas at any time. When such changes are set forth by the EPA, Platts will inform the market of the changes in the formula through subscriber notes.

Please send all comments to americas_agsspglobal.com and americas_products@spglobal.com, with a cc to pricegroup@spglobal.com

For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

Platts to discontinue Ethanol T2 FOB Rotterdam German Spec assessment April 2021

Following a formal public consultation, proposal and review, S&P Global Platts has decided to discontinue its Ethanol T2 FOB Rotterdam German Spec assessment, effective April 1, 2021.

Since October 2012, the value of Ethanol T2 FOB Rotterdam German Spec has been calculated at parity with the Ethanol T2 FOB Rotterdam assessment, reflecting similar mandated requirements under the European Union's Renewable Energy Directive at the time. This was announced in a subscriber note published October 1, 2012.

Since then, Platts understands the German market has moved to one that typically consumes ethanol with higher GHG savings. As such, Platts has decided to discontinue this assessment from April 1, 2021.

Separately, Platts has decided to establish a maximum carbon intensity (CI) to be reflected in its Ethanol T2 FOB Rotterdam assessment, as well as launch a new differential assessment of high GHG-saving T2 FOB Rotterdam ethanol.

Platts first launched a formal public consultation on its European T2 ethanol assessments March 16: <https://www.spglobal.com/platts/>

[en/our-methodology/subscriber-notes/031620-platts-opens-consultation-on-ethanol-t2-fob-rotterdam-assessments](https://www.spglobal.com/platts/en/our-methodology/subscriber-notes/031620-platts-opens-consultation-on-ethanol-t2-fob-rotterdam-assessments)

This discontinuation follows a proposal published on June 2, 2020, which can be found here: <https://www.spglobal.com/platts/en/our-methodology/subscriber-notes/060220-platts-proposes-discontinuation-of-ethanol-t2-fob-rotterdam-german-spec-assessment>

Please send any further feedback, comments or questions to europa_agsspglobal.com and pricegroup@spglobal.com

For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available to the public upon request.

Platts to increase minimum GHG savings in Ethanol T2 FOB Rotterdam assessment Jan 2021

Following a formal public consultation, proposal and review, S&P Global Platts has decided to change the specification on fuel grade ethanol reflected in its Ethanol T2 FOB Rotterdam assessment, specifically with regard to greenhouse gas (GHG) savings, effective January 4, 2021.

GHG savings in the EU are measured as an absolute level of carbon intensity (CI), or as a percentage GHG saving compared to the fossil fuel comparator. From January 4, 2021, the Platts Ethanol T2 FOB Rotterdam assessment will reflect ethanol meeting a maximum CI of 33.52g CO2e/MJ. This is currently equivalent to a minimum GHG saving of 60% based on a fossil fuel comparator of 83.8g CO2e/MJ under the European Commission's Renewable Energy Directive (RED) I framework.

Platts had initially proposed defining the specification of ethanol reflected in its Ethanol T2 FOB Rotterdam assessment in terms of a minimum GHG saving of 60%. The proposal note published June 2 can be found here: <https://www.spglobal.com/platts/en/our-methodology/subscriber-notes/060220-platts-proposes-to-increase-minimum-ghg-savings-in-ethanol-t2-fob-rotterdam-assessment-to-60>

This change is in line with market feedback indicating that ethanol with a maximum CI of 33.52g CO2e/MJ represents the most fungible portion of the European ethanol market. Higher mandates in several European countries have supported increasing demand for product with a lower CI and therefore greater GHG savings against the same comparator.

The Platts Ethanol T2 FOB Rotterdam assessment currently reflects a minimum GHG saving of 50%, equivalent to a maximum CI of

SUBSCRIBER NOTES (CONTINUED)

41.90g CO₂e/MJ. This is in line with the current legal minimum standard of 50% GHG savings under the RED I framework. Platts understands that material meeting a maximum CI of 41.90g CO₂e/MJ remains an important element of the European market. As such, in addition to publishing bids, offers and transactions for ethanol meeting a maximum CI of 33.52g CO₂e/MJ during the Market on Close assessment process, Platts will also publish bids, offers and transactions for ethanol meeting a maximum CI of 41.90g CO₂e/MJ. Pricing data reflecting material with a maximum CI other than 33.52g CO₂e/MJ may be normalized back to this standard.

The EU intends to increase the fossil fuel comparator from 83.8g CO₂e/MJ to 94.0g CO₂e/MJ under the RED II directive. A maximum CI of 33.52g CO₂e/MJ would imply GHG savings of 64.3%, using the fossil fuel comparator of 94.0g CO₂e/MJ stated in RED II. Platts launched a formal public consultation on its European T2 ethanol assessments March 16: <https://www.spglobal.com/platts/en/our-methodology/subscriber-notes/031620-platts-opens-consultation-on-ethanol-t2-fob-rotterdam-assessments>. This methodology change is one of three to emerge from this consultation, alongside the discontinuation of the Ethanol T2 FOB Rotterdam German Spec assessment, the launch of an assessment of Ethanol T2 FOB Rotterdam reflecting material with a maximum CI of 18.82g CO₂e/MJ.

Please send any further feedback, comments or questions to europa_ags@spglobal.com and pricegroup@spglobal.com

For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available to the public upon request.

Platts to launch Premium Ethanol T2 FOB Rotterdam differential Jan 2021

Following a formal public consultation, proposal and review, S&P Global Platts has decided to launch an assessment reflecting the value of T2 FOB Rotterdam ethanol with high greenhouse gas savings, effective January 4, 2021.

GHG savings in the EU are measured as an absolute level of carbon intensity (CI), or as a percentage GHG saving compared to the fossil fuel comparator. This new assessment will reflect ethanol meeting a maximum CI of 18.82g CO₂e/MJ. This is currently equivalent to a minimum GHG saving of 80% based on a fossil fuel comparator of 83.8g CO₂e/MJ under the European Commission's Renewable Energy Directive (RED) I.

Platts had initially proposed defining the specification of ethanol reflected in this assessment in terms of a minimum GHG saving of 80%. The proposal note published June 2 can be found here: <https://www.spglobal.com/platts/en/our-methodology/subscriber-notes/060220-platts-proposes-launch-of-ethanol-t2-fob-rotterdam-minimum-80-ghg-savings-assessment>

The new Premium Ethanol T2 FOB Rotterdam assessment will be published as a differential to the Ethanol T2 FOB Rotterdam assessment, in Eur/cu m. Apart from product specification, the new

assessment will reflect the same assessment parameters as the Ethanol T2 FOB Rotterdam price, such as volume, location basis and laycan.

This launch follows market feedback demonstrating interest in further transparency in ethanol with greater GHG savings. Although the threshold of GHG savings may differ from country to country in this space and may be impacted by market fundamentals, ethanol with a maximum CI of 18.82g CO₂e/MJ was indicated as a level at which the pricing of a differential would be most distinct. This level was also indicated to be relevant to countries that have strong consumption of ethanol with high GHG savings.

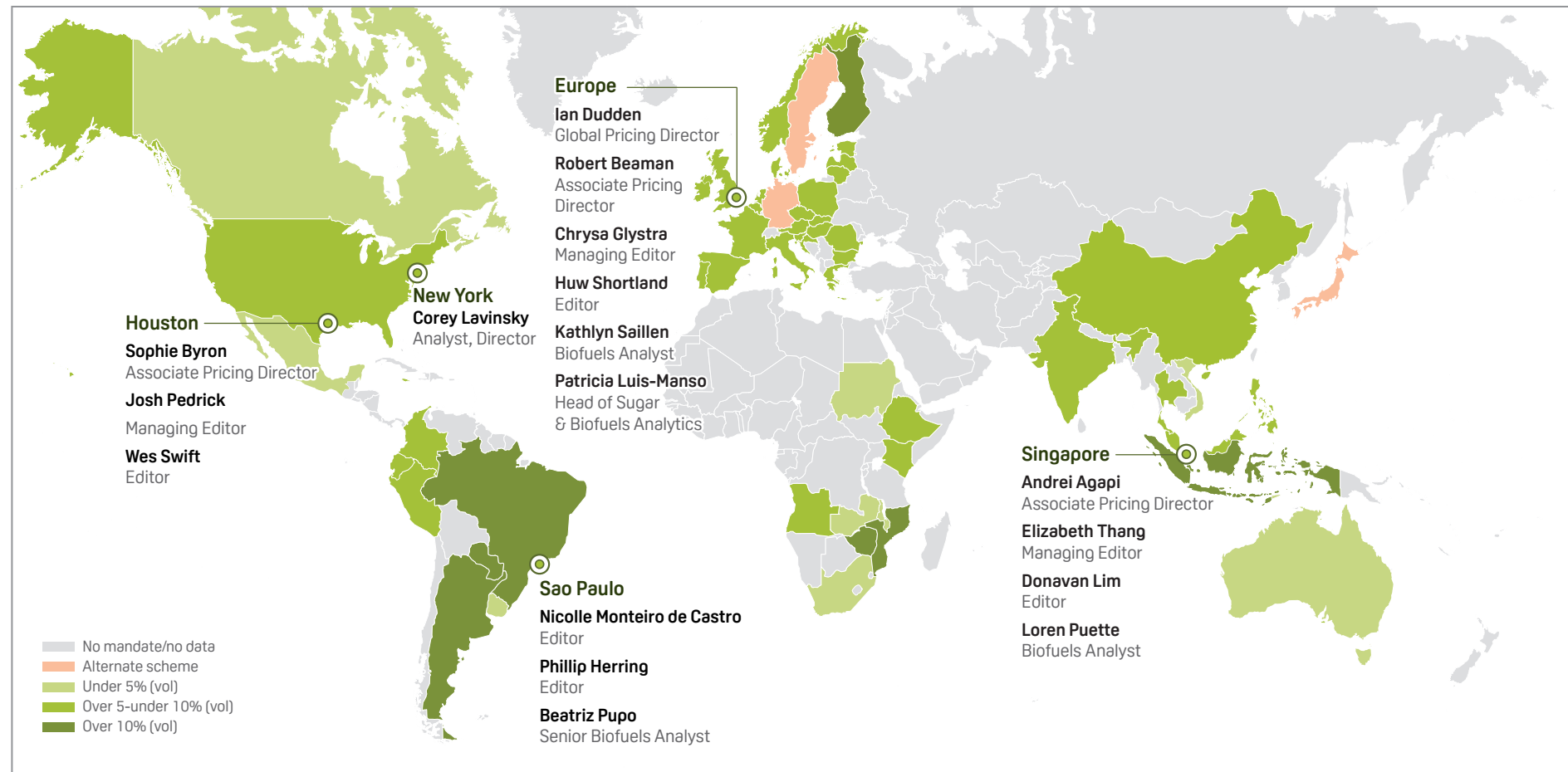
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This new assessment launch is one of three changes to emerge from this consultation, alongside establishing a maximum CI of 33.52g CO₂e/MJ in the Platts Ethanol T2 FOB Rotterdam assessment, and discontinuing the Ethanol T2 FOB Rotterdam German Spec assessment.

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MEET THE BIOFUELS EDITORIAL/ANALYTICAL TEAM



Source: S&P Global Platts

Contact us at: europe_ags@spglobal.com, americas_ags@spglobal.com and asia_ags@spglobal.com