Ethanol & Biodiesel Information Service

Pricing, News and Analysis for Buying and Supplying Ethanol-Blended Fuel and Biodiesel

OPIS
A DOW JONES COMPANY

August 29, 2022 • Volume 19, Issue 35

Ethanol Futures (cts/gal contract price)

	September 2022	October 2022	November 2022	December 2022
CBOT	216.10	216.10	216.10	216.10

Settlement Thursday, August 25, 2022 *Source: Chicago Board of Trade*

Ethanol & Gasoline Component Spot Market Prices

U.S. RINs *(prices in U.S. $/RIN)*

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
U.S. Ethanol RINs						
Current Yr	1.6000-1.6200	1.6000-1.6300	1.6300-1.6450	1.6150-1.6550	1.6100-1.6300	1.62350
Previous Yr	1.6000-1.6300	1.6000-1.6400	1.6200-1.6650	1.6150-1.6650	1.6100-1.6400	1.62850
U.S. Cellulosic RINs						
Current Yr	2.8500-2.9000	2.8000-2.9000	2.8500-2.8900	2.8500-2.8900	2.8700-2.8800	2.86800
Previous Yr	3.3500-3.3900	3.3300-3.3600	3.3500-3.3800	3.3500-3.3800	3.3600-3.3800	3.36300
U.S. Biodiesel RINs						
Current Yr	1.7400-1.7600	1.7450-1.7700	1.7600-1.8000	1.7650-1.8050	1.7500-1.7600	1.76550
Previous Yr	1.7900-1.8100	1.7850-1.8300	1.8100-1.8500	1.8200-1.8500	1.7900-1.8200	1.81550
U.S. Advanced Biofuel RINs						
Current Yr	1.7300-1.7600	1.7350-1.7700	1.7500-1.8000	1.7550-1.8050	1.7400-1.7600	1.76050
Previous Yr	1.7800-1.8100	1.7750-1.8300	1.8000-1.8500	1.8100-1.8500	1.7800-1.8200	1.81050

Chicago *(prices in U.S. $/gal.)*

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.5950-2.6250	2.6400-2.6500	2.7100-2.7200	2.6450-2.6500	2.5900-2.6200	2.64450
DP ETH	2.5900-2.6000	2.6400-2.6500	2.7100-2.7200	2.6450-2.6500	2.5900-2.6200	2.64150
B100 SME	7.2700-7.5100	7.4000-7.5900	7.4700-7.6600	7.6000-7.8400	7.5800-7.7800	7.57000
RBOB Unl	3.1875-3.2175	3.0262-3.0612	2.9530-2.9880	2.8207-2.8607	3.0274-3.1124	3.02546
RBOB Pre	3.7825-3.8125	3.6212-3.6562	3.5930-3.6280	3.4607-3.5007	3.5924-3.6774	3.63246
CBOB Unl	2.8425-2.8725	2.6812-2.7162	2.6530-2.6880	2.5357-2.5457	2.6524-2.7374	2.69246
ULSD	3.6480-3.7505	3.7062-3.8262	3.8119-3.8819	4.0307-4.0407	4.0348-4.0448	3.87757

Chicago Rule 11 *(prices in U.S. $/gal.)*

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Current Yr	2.5500-2.6000	2.5700-2.6300	2.7100-2.7200	2.6300-2.6500	2.6000-2.6400	2.63000

See page 2 for more spot pricing locations ▶

Ethanol Market Overview:

Bulky supply, demand concerns cool ethanol spot gains

For the second straight week it appeared that government-reported ethanol industry figures impacted the market, with the midweek release of higher inventory coupled with some data points that added big question marks to blending demand taking some steam out of spot ethanol values.

Ethanol bulk trading continued to appear slow in August, but the more active Chicago-area market had nearby in-tank transfers fetching up to $2.72/gal early last week – the highest spot price in eight weeks – before the midweek release of weekly EIA figures appeared to help usher in some selling that quickly cut spot trades back to $2.645/gal. Light selling continued into Thursday, dropping Argo values back to $2.615/gal – trading that represented as much as a 10.5cts drop off the week's highs.

While trading well off the higher prices that opened last week, nearby Chicago ethanol prices holding around the low $2.60s/gal still clung to week-to-week gains that amounted to more than 4.6cts at last look Thursday.

Backwardation remained in the Chicago spot market last week, and market sources speculated that it may be enough to dull prompt buying. Some forward talks indicated any-September ethanol priced at about a 3cts discount against August values and there were even some trade sources willing to peg any-October value at another 7-9cts cheaper than September.

continued on page 3

In Each Issue ...

Ethanol & Gasoline Component Spot Market Prices (prices in U.S $/gal.)

Gulf Coast

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.7400-2.7800	2.7700-2.8000	2.8600-2.8800	2.7800-2.8000	2.7300-2.7700	2.79100
B100 SME	7.1300-7.7000	7.2600-7.7800	7.3300-7.8500	7.4600-8.0200	7.4400-7.9600	7.59300
RBOB Unl	2.6650-2.6750	2.5387-2.5487	2.5980-2.6080	2.4960-2.5060	2.5014-2.5114	2.56482
RBOB Pre	3.0075-3.0175	2.8812-2.8912	2.9405-2.9505	2.8385-2.8485	2.8439-2.8539	2.90732
CBOB Unl	2.6750-2.6875	2.5612-2.5787	2.6280-2.6430	2.5545-2.5695	2.5874-2.5924	2.60772
Unleaded	2.8500-2.8600	2.7137-2.7237	2.7855-2.7955	2.7170-2.7270	2.7424-2.7524	2.76672
ULSD	3.6355-3.6455	3.7087-3.7187	3.7709-3.7809	3.9372-3.9512	3.8598-3.8623	3.78707
61ULSD	3.6355-3.6455	3.7087-3.7187	3.7709-3.7809	3.9372-3.9512	3.8598-3.8623	3.78707

New York

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.6200-2.6400	2.6400-2.7100	2.7500-2.7700	2.6700-2.6900	2.6500-2.6600	2.68000
ITT ETH	2.6000-2.6300	2.6200-2.7000	2.7300-2.7600	2.6500-2.6800	2.6300-2.6500	2.66500
Ethanol Fwd	2.6450-2.6550	2.7000-2.7200	2.7600-2.7900	2.6900-2.7100	2.5900-2.6000	2.68600
B100 SME	7.6300-7.9100	7.7600-7.9900	7.8300-8.0600	7.9600-8.2300	7.9400-8.2300	7.95400
RBOB Unl	3.0825-3.0925	2.9287-2.9337	2.9480-2.9505	2.8032-2.8132	2.8146-2.8246	2.91915
RBOB Pre	3.7825-3.7925	3.6562-3.6662	3.6980-3.7080	3.4882-3.4982	3.4996-3.5096	3.62990
CBOB Unl	3.0175-3.0825	2.8862-2.8962	2.8880-2.8980	2.7557-2.7657	2.7671-2.7771	2.87340
CBOB Pre	3.6925-3.7025	3.5662-3.5762	3.6080-3.6180	3.4957-3.5057	3.5071-3.5171	3.57890
ULSD	3.6970-3.7070	3.7762-3.7812	3.8384-3.8484	4.0107-4.0207	3.9466-3.9516	3.85778

Los Angeles

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.8800-3.0500	2.8800-3.0600	3.0300-3.2000	2.9500-3.1000	2.8700-3.0800	3.01000
CARBOB - R	3.2275-3.2375	3.1012-3.1112	3.1430-3.1530	3.0070-3.0470	3.0724-3.1024	3.12022
CARBOB - P	3.7025-3.7125	3.5762-3.5862	3.6180-3.6280	3.4070-3.4470	3.4724-3.5024	3.56522
ULSD	3.6509-3.6609	3.7284-3.7384	3.7995-3.8095	3.9599-3.9699	3.8773-3.8873	3.80820

Nebraska *(fob Railcar)*

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.4000-2.4500	2.4000-2.5000	2.6050-2.6300	2.5400-2.5650	2.4300-2.5500	2.50700

Tampa

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.7000-2.7500	2.7000-2.8000	2.9050-2.9300	2.8400-2.8650	2.7300-2.8500	2.80700

Dallas

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.6100-2.7000	2.6100-2.7200	2.8050-2.8650	2.7400-2.8000	2.6600-2.7800	2.72900

San Francisco

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.8800-3.0500	2.8800-3.0600	3.0300-3.2000	2.9500-3.1000	2.8700-3.0800	3.01000

Washington

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.7300-2.8100	2.7400-2.8200	2.8900-2.9700	2.8300-2.9000	2.7800-2.8500	2.83200

Phoenix

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Ethanol	2.6600-2.7200	2.6600-2.7400	2.8300-2.8800	2.7700-2.8100	2.6800-2.8000	2.75500

Methodology and Definitions:

OPIS derives ethanol, gasoline and biodiesel prices from many means, including surveying buyers and sellers via phone/e-mail, and receiving postings electronically from producers and purchasers. While OPIS makes best efforts to ensure the accuracy and timeliness of its prices, it in no way guarantees either the accuracy or timeliness of any of the data included herein. Definitions are as follows:

Ethanol Spot Price (Bulk Barge/Rail): These are large quantity pure ethanol deals transacted or being discussed in certain FOB markets.

Brazil Ethanol: Undenatured anhydrous ethanol cargoes, FOB Brazil terminals for export, typically 50,000 bbl or more available 5-30 days from the date of publication. The assessment generally reflects price at the Santos export terminal, though others may be used for assessment purposes.

Block Term Contract Values: These are the three-to-six month contract deals between large buyers and sellers of pure ethanol. Some are done as fixed, and those deals are reported in the "Fixed" column. Other deals are done based on a differential to certain gasoline benchmarks (usually conventional spot unleaded). Those formulae are tracked and reported by market each week in the "Formula"column and calculated (based on the closing Thursday price of the gasoline benchmark) to arrive at a "Formula Calculated" price. All deals ("Fixed" and "Formula") are reported from a weighted average survey.

Bulk Truck Spot Prices (Rack): These are the prices for truck quantities of pure ethanol at storage points in the given market. These prices are not posted – they are offered to buyers given supply and demand dynamics at prices discovered and published by OPIS.

Splash Blend Rack Prices: These are the average of the Thursday closing price that producers and resellers are posting at various rack locations. Typically prices are for small quantities that marketers pull to blend into gasoline to create and deliver ethanol-blended gasoline to accounts.

Splash Blend Producer Prices: These are the average of the Thursday closing price that producers (not resellers) are posting at various rack locations. Typically prices are for small quantities that marketers pull to blend into gasoline to create and deliver ethanol-blended gasoline to accounts.

Low Carbon Fuel Standard Credits: Traded in U.S. dollars per metric ton of carbon dioxide (CO_2), this represents the daily traded price range or range of bids and offers on carbon credits generated for compliance under California's Low Carbon Fuel Standard program implemented by the California Air Resources Board. Trading is for credits transferable in the current calendar year, until the last month of the year when deals for the following year may also be considered.

California Low Carbon Fuel Standard

Carbon Credit: $/MT; Carbon Intensity Pts: $/CI; Carbon Credit per Gallon Diesel: $/gal; Carbon Credit per Gallon Gasoline: $/gal)

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Carb Credit	88.000-89.000	86.000-89.000	87.500-89.000	88.000-89.000	87.500-88.000	88.1000
CI Pts BD	0.0111-0.0112	0.0109-0.0112	0.0110-0.0112	0.0111-0.0112	0.0110-0.0111	0.01112
CI Pts Eth	0.00717-0.00725	0.00701-0.00725	0.00713-0.00725	0.00717-0.00725	0.00713-0.00717	0.007178
CC Dsl	0.1188-0.1202	0.1161-0.1202	0.1181-0.1202	0.1188-0.1202	0.1181-0.1188	0.11895
CC Gas	0.1191-0.1204	0.1164-0.1204	0.1184-0.1204	0.1191-0.1204	0.1184-0.1191	0.11921
CC Dsl 95	0.1129-0.1141	0.1103-0.1141	0.1122-0.1141	0.1129-0.1141	0.1122-0.1129	0.11298
CC Gas 90	0.1072-0.1084	0.1047-0.1084	0.1066-0.1084	0.1072-0.1084	0.1066-0.1072	0.10731

Oregon Clean Fuels Program

Carbon Credit: $/MT; Carbon Intensity Pts: $/CI; Carbon Credit per Gallon Diesel: $/gal; Carbon Credit per Gallon Gasoline: $/gal)

	Fri. 08/19	Mon. 08/22	Tues. 08/23	Wed. 08/24	Thurs. 08/25	Wkly. Avg.
Carb Credit	106.000-110.000	109.000-111.000	109.000-111.000	109.000-111.000	112.000-114.000	110.2000
CI Pts BD	0.0134-0.0139	0.0138-0.0140	0.0138-0.0140	0.0138-0.0140	0.0141-0.0144	0.01390
CI Pts Eth	0.00864-0.00897	0.00888-0.00905	0.00888-0.00905	0.00888-0.00905	0.00913-0.00929	0.008982
CC Dsl	0.0988-0.1025	0.1016-0.1034	0.1016-0.1034	0.1016-0.1034	0.1044-0.1062	0.10269
CC Gas	0.0908-0.0942	0.0933-0.0950	0.0933-0.0950	0.0933-0.0950	0.0959-0.0976	0.09434
CC Dsl 95	0.0938-0.0974	0.0965-0.0983	0.0965-0.0983	0.0965-0.0983	0.0992-0.1009	0.09757
CC Gas 90	0.0817-0.0848	0.0840-0.0855	0.0840-0.0855	0.0840-0.0855	0.0863-0.0878	0.08491
Eth CI 69.89	2.8700-3.0100	2.8700-3.0200	3.0200-3.1600	2.9400-3.0600	2.8600-3.0400	2.98500

Railcars under Rule 11 terms by Thursday had bids at $2.62/gal before offers hit that number as well, though without a confirmed trade, it had prices sliding off trades that reached $2.715/gal early last week. The recent Rule 11 discussions also continued to place the railcar values around parity with the latest in-tank trades for the second week in a row.

Lighter discussions in other bulk markets also had ethanol retreating from the week's highs. Midwest FOB railcars surpassed the $2.60/gal level for a time, but midweek offers dropped as low as $2.54/gal before Thursday talks that slipping south of $2.50/gal did not bring a trade. New York Harbor ethanol barges for August traded $2.68/gal at midweek but Thursday interest turned to September barges that traded $2.655/gal.

Western ethanol markets showed little physical activity over the last week, but Thursday trading did bring a rail deal to New Mexico at $2.76/gal. At the same time, sellers for railcars to the Pacific Northwest dangled Washington railcars at $2.85/gal but buyer interest failed to materialize.

Earlier last week, it was a stiff corn rally that energized firmer ethanol spot market prices. By the middle of last week, Chicago Board of Trade corn futures continued a string of gains into the sixth consecutive exchange session, and though the market started to wobble, December corn at $6.5725/bu climbed 7.4%, or 45.25cts, week to week.

Though trading in the corn pit reversed to losses Thursday for the first time in a week and shaved as much as 7.25cts off December contracts, it was blamed mostly on a bout of profit-booking. Traders still noted support from eroding corn-yield expectations and dryer weather forecasts remained in play.

Still, ethanol marketer players tended to turn more attention to weekly EIA data showing U.S. ethanol stocks built 361,000 bbl for the week ending August 19 and at 23.807 million bbl, represented the highest level since the first week of May. Stocks also expanded more than 12% compared to the same week last year.

At the same time, ethanol blender net input – a proxy for ethanol blending – retreated 10,000 b/d week to week, and at 919,000 b/d, it nosed fractionally lower year to year. Conventional gasoline blended with ethanol dropped 51,000 b/d over the latest report week, retreating 0.85% and at 5.985 million b/d falling 1.3% behind a year ago.

However, the most stunning and perhaps darkest cloud hanging over ethanol blending offered by EIA for the report week is a harsh downswing in the agency's reading of gasoline demand that plunged more than 900,000 b/d, a 9.8% week-to-week slide. At 8.434 million b/d, implied gasoline offtake marked a 23-year low for any week during August, off 11.9% year to year.

Ethanol production, meantime, did not regain much ground following the steep drop EIA reported over the previous week. At 987,000 b/d, U.S. producers collectively added back just 4,000 b/d, or 0.41%, over the report week, though that was enough to put output 5.8% higher than a year ago.

Beyond the year-to-year comparison, a look at the five-year output average for the week had production 1.6% under its half-decade average. The report week's output rate is also about 1.9% lower than the latest four-week ethanol output average that came to 1.009 million b/d, according to EIA estimates.

Spencer Kelly, skelly@opisnet.com

Renewable Credit Markets:

RINs little changed after mixed week; California LCFS down for second week

Ethanol-related D6 and biomass-based diesel D4 Renewable Identification Number (RIN) credit values rose by about 3cts in the first half of last week, but markets reversed course Thursday, leaving the credits mixed week to week.

2022 D6 RINs were heard traded from $1.63 to $1.61 on Thursday and were assessed down 1.5cts at $1.62, placing the assessment 0.5ct higher on the week. 2022 D4 RINs the same day lost twice as much ground when they were assessed 3cts lower at $1.755, off 1ct week to week.

Thursday's assessments narrowed the spread between D6 and D4 credits to 13.5cts, the smallest amount since Aug. 2, when it was 13.25cts.

Down the curve, sources on Thursday saw 2023 D6 RINs traded at $1.55 and valued the credits at a 6.5ct discount to 2022 D6 RINs, while 2023 D4 RINs were dealt at prices ranging from $1.60 to $1.575. OPIS will begin publishing 2023 RIN price assessments on Monday, Aug. 29.

2022 cellulosic biofuel D3 RINs were down 7.5cts last week despite posting modest gains in a couple sessions. The credits on Thursday were assessed up 0.5ct at $2.875.

The OPIS Renewable Volume Obligation (RVO) assessment on Thursday dropped below 20cts/gal after spending a couple days above that mark. The assessment, which measures the implied cost of Renewable Fuel Standard (RFS) compliance for refiners and importers of gasoline or diesel who do not blend biofuels, fell 0.211ct to 19.819cts/gal, down 0.011ct week to week.

California Low Carbon Fuel Standard (LCFS) credit values dropped for a second week. The credits on Thursday were assessed at $87.75/credit, 75cts lower on the day, down $1.25 on the week after falling $7 the week before. Oregon Clean Fuel Program (CFP) credits the same day changed hands at $113/credit and were assessed at that price, up $3 day to day, $5 higher week to week.

Aaron Alford, aalford@opisnet.com

KM delays cut in Southern California's maximum renewable diesel blend rate

Kinder Morgan confirmed last week that it will delay for three months a planned reduction in the maximum allowable renewable diesel blended with CARB diesel in Southern California to 2%, down from 5%, because its customers need more time to adjust to the change.

The company Aug. 1 announced it would trim the renewable diesel blend rate to ensure "the maximum amount of renewable fuel can be distributed throughout Southern California while maintaining the integrity of the CARB diesel delivered to those same markets." At the time, the company said the change would take effect on Oct. 1. According to an announcement last week, the lower maximum blend rate will instead start on Jan. 1.

"It all has to do with the labeling requirement," one West Coast trader told OPIS. "Anything above 5% needs to be identified. If you cap (renewable diesel), it prevents receiving an unknown blend level and allows the position holder to blend the desired balance."

In a recent update on its efforts to provide more terminals, pipeline space and rail capacity to handle meet the state's demand for renewable fuels, Kinder said its Southern California renewable diesel hub will see shippers aggregate renewable diesel in the Los Angeles area via the SFFP pipeline to destinations in Colton (Inland Empire) and Mission Valley (San Diego area).

In Key Markets

Ethanol Buying Prices

City, State	Ethanol Spot Price (Bulk Barge/Rail)	Block Term Q2-Q3 Contract Values: Fixed	Formula	Formula (calculated)	Bulk Truck Spot Prices (rack)	Splash Blend Rack Price	Splash Blend Producer Prices
Albany, NY	262.00	233.50			265.00	N/A	N/A
Houston, TX	275.00	239.75	NYMEX RBOB Unl -43	238.21	279.00	287.14	N/A
New Haven, CT	269.50	243.00	NYMEX RBOB Unl -40	241.21	N/A	N/A	N/A
New York, NY	265.50	239.25	NYMEX RBOB Unl -43.75	237.46	270.00	N/A	N/A
Chicago, IL	260.50	229.50	NYMEX RBOB Unl -53.5	227.71	263.50	N/A	N/A
Louisville, KY	261.00	N/A	N/A	N/A	265.00	N/A	N/A
Minneapolis, MN	254.00	N/A	N/A	N/A	257.00	289.81	293.33
St. Louis, MO	262.50	230.50	NYMEX RBOB Unl -52.5	228.71	266.50	300.00	N/A
Los Angeles, CA (79.9)	297.50	252.00	NYMEX RBOB Unl -31	250.21	308.00	N/A	N/A
Phoenix, AZ	274.00	231.50	NYMEX RBOB Unl -51.5	229.71	277.00	N/A	N/A
San Francisco, CA (79.9)	297.50	252.00	NYMEX RBOB Unl -31	250.21	308.00	N/A	N/A
Washington	281.50	N/A	N/A	N/A	N/A	N/A	N/A

Ethanol Truck & Spot Prices

City, State	Spot Prices (Rack)	Rack Price	Producer Prices
Cleveland, OH	264.00	218.14	155.00
Decatur, IL	261.00	N/A	N/A
Des Moines, IA	257.50	272.64	271.33
Doniphan, NE	255.00	282.68	280.67
Fargo, ND	254.50	300.06	298.75
Indianapolis, IN	268.00	N/A	N/A
Kansas City, KS	255.00	280.42	297.67
Madison, WI	260.00	280.00	N/A
Omaha, NE	256.00	282.44	281.50
Peoria/Pekin, IL	260.00	N/A	N/A
Sioux City, IA	258.50	283.34	282.83
Sioux Falls, SD	260.00	280.74	280.75
Topeka, KS	258.00	301.25	301.75
Wichita, KS	257.00	296.86	294.67
Denver, CO	270.00	299	N/A

The initial goal is to move 20,000 b/d of blended diesel that will eventually move through truck racks, the company explained in its update. In concert with the effort, Kinder said it is creating renewable storage capacity at the Carson terminal in the Port of Los Angeles.

The downstream Colton terminal will receive product from an existing 16-inch SFFP pipeline segment that will handle movement from Watson to Colton. The Colton facility will accommodate 15,000 b/d of blended diesel with a potential expansion to 20,000 b/d.

National Renewable Fuels Averages

Ethanol Spot	Ethanol Rack w/ RIN	Ethanol Blended Rack Gasoline (10%)	E-85 Racks	E-85 Retail (w/ tax)	
262.500	299.416	288.539	201.028	338.958	
B100 w/ RIN	**B20 w/ ULSD**	**B15 w/ ULSD**	**B10 w/ ULSD**	**B5 w/ ULSD**	**B2 w/ ULSD**
723.828	417.999	406.481	--.--	415.132	411.085

Key Renewable Fuels Regional Averages

Northeast

Ethanol Spot	Ethanol Rack w/ RIN	Ethanol Blended Rack Gasoline (10%)	E-85 Racks	E-85 Retail (w/ tax)	
265.500	--.--	281.199	213.954	377.947	
B100 w/ RIN	**B20 w/ ULSD**	**B15 w/ ULSD**	**B10 w/ ULSD**	**B5 w/ ULSD**	**B2 w/ ULSD**
750.000	409.010	403.278	--.--	412.190	411.784

Southeast

Ethanol Spot	Ethanol Rack w/ RIN	Ethanol Blended Rack Gasoline (10%)	E-85 Racks	E-85 Retail (w/ tax)	
265.500	315.192	278.574	227.870	317.770	
B100 w/ RIN	**B20 w/ ULSD**	**B15 w/ ULSD**	**B10 w/ ULSD**	**B5 w/ ULSD**	**B2 w/ ULSD**
695.900	410.837	415.000	--.--	410.689	407.475

Gulf Coast

Ethanol Spot	Ethanol Rack w/ RIN	Ethanol Blended Rack Gasoline (10%)	E-85 Racks	E-85 Retail (w/ tax)	
275.000	303.525	278.088	224.976	305.171	
B100 w/ RIN	**B20 w/ ULSD**	**B15 w/ ULSD**	**B10 w/ ULSD**	**B5 w/ ULSD**	**B2 w/ ULSD**
768.035	402.970	401.770	--.--	419.238	415.666

Midwest

Ethanol Spot	Ethanol Rack w/ RIN	Ethanol Blended Rack Gasoline (10%)	E-85 Racks	E-85 Retail (w/ tax)	
254.750	289.940	273.359	171.568	301.940	
B100 w/ RIN	**B20 w/ ULSD**	**B15 w/ ULSD**	**B10 w/ ULSD**	**B5 w/ ULSD**	**B2 w/ ULSD**
647.000	428.489	418.504	--.--	417.472	411.386

Rockies

Ethanol Spot	Ethanol Rack w/ RIN	Ethanol Blended Rack Gasoline (10%)	E-85 Racks	E-85 Retail (w/ tax)	
275.000	297.313	304.152	--.--	383.471	
B100 w/ RIN	**B20 w/ ULSD**	**B15 w/ ULSD**	**B10 w/ ULSD**	**B5 w/ ULSD**	**B2 w/ ULSD**
--.--	390.800	--.--	--.--	403.817	395.647

West Coast

Ethanol Spot	Ethanol Rack w/ RIN	Ethanol Blended Rack Gasoline (10%)	E-85 Racks	E-85 Retail (w/ tax)	
274.000	328.000	339.705	327.100	441.008	
B100 w/ RIN	**B20 w/ ULSD**	**B15 w/ ULSD**	**B10 w/ ULSD**	**B5 w/ ULSD**	**B2 w/ ULSD**
714.000	422.412	--.--	--.--	415.185	--.--

The company added that the Mission Valley terminal is the final step with plans to enable up to 5,000 b/d renewable diesel throughput.

Once infrastructure changes are complete, Kinder said maximum allowable renewable diesel in Northern California will also be reduced to 2%, down from the current 5% level.

The Northern California renewable diesel hub project at the Bradshaw terminal (near Sacramento) should be in service in the first quarter of 2023. The upgrade will enable the facility to handle 15,000 b/d of blended diesel at the truck rack. The renewable diesel and biodiesel will be moved to that terminal by customers with space for 22 rail cars and increase the terminal's capacity from a 5% limit to up to 20%.

Sources estimate that more than 50% of the total diesel pool in California has roots in renewable diesel, and that share continues to grow.

Bayan Raji, braji@opisnet.com

US ethanol output capacity drops nearly 1% in 2021: EIA

Annual fuel ethanol output capacity in the U.S. last year turned lower than the year before for first time in eight years, according to Energy Information Administration data released last week that estimated 2021 capacity tightening by 166 million gal versus 2020 – a 0.95% decline on the year.

The agency estimates nationwide ethanol production capacity as of the start of this year at 17.38 billion gal/yr, dropping from 17.546 billion gal/yr that EIA estimated in its year-ago report for 2020. The agency counted capacity data based on reports from 192 fuel-ethanol producers in 2021, which is five fewer than it tallied in 2020 and off the peak 201 producers it reported for 2019.

"The three states with the most production capacity – Iowa, Nebraska, and Illinois – contain half the nation's total ethanol production capacity" as of Jan. 1, 2022, EIA noted.

The Midwest region was home to 177 ethanol plants last year with 16.325 billion gal of annual ethanol capacity that still nosed up 0.33% year to year. That region was followed by Gulf Coast capacity, where a trio of plants could produce up to 380 million gal/yr by the end of last year.

The drop in domestic ethanol capacity last year is the first year-to-year retreat in EIA's annual accounting since 2014. The capacity decrease for ethanol is at least in part due to lower U.S. gasoline demand, given that more than 98% of U.S. gasoline contains at least 10% ethanol.

Gasoline demand by EIA's own weekly assessments has been unusually erratic the last couple years and has yet to return to levels seen before the coronavirus pandemic. Annual gasoline demand in the U.S. in 2021 plunged some 14.2% from 2019, when COVID-19 was not a factor, according to OPIS DemandPro, which surveys more than 35,000 fueling stations across the U.S.

Ethanol plants last year also accounted for 81% of total U.S. biofuel productive capacity, which EIA estimated at 21 billion gal/yr from 275 facilities across the country. Of that total, EIA counted 72 operable biodiesel plants with the capacity to produce 2.255 billion gal/yr, which is nearly 11% of the nation's biofuel capacity but down almost 6.4%, or some 154 million gal/yr, from the annual biodiesel capacity calculated for 2020.

The agency had annual production capacity of other renewable fuels - which include mostly renewable diesel but also renewable heating oil, sustainable aviation fuel, renewable naphtha, renewable gasoline, other biofuels and bio intermediate products – more than doubling year to year, at 1.75 billion gal/yr heading into 2022.

Louisiana entered 2022 as the leading producer of renewable diesel and other renewable fuels.

Renewable diesel and the other renewables category held about 8% of total U.S. biofuel productive capacity from 11 U.S.-based production facilities operating at the start of 2022, according to EIA.

Spencer Kelly, skelly@opisnet.com

Christie Citranglo, ccitranglo@opisnet.com

Weekly Biofuels Stock Performance

Company	Symbol		8/25/22	8/18/22	change	% change
Adecoagro SA	AGRO	⇧	9.52	9.17	$0.35	3.82%
Aemetis	AMTX	⇩	9.91	10.11	-$0.20	-1.98%
Alto Ingredients	ALTO	⇩	4.84	5.25	-$0.41	-7.81%
The Andersons, Inc.	ANDE	⇧	40.23	39.01	$1.22	3.13%
Archer Daniels Midland	ADM	⇧	90.91	87.62	$3.29	3.75%
Bunge	BG	⇧	102.94	100.69	$2.25	2.23%
Cielo Waste Solutions Corp	CMC.V	⇔	0.075	0.075	C$0.00	0.00%
Cosan	CSAN	⇩	16.24	16.43	-$0.19	-1.16%
Darling Ingredients	DAR	⇧	78.97	75.14	$3.83	5.10%
FutureFuel Corp.	FF	⇩	7.42	7.50	-$0.08	-1.07%
GEVO	GEVO	⇩	3.260	3.480	-$0.22	-6.32%
Green Plains	GPRE	⇩	38.81	39.04	-$0.23	-0.59%
Marathon Petroleum Corporation	MPC	⇧	105.97	100.79	$5.18	5.14%
Neste	NESTE.HE	⇧	51.86	50.34	€1.52	3.02%
Novozymes	NVZMY	⇩	60.19	61.02	-$0.83	-1.36%
REX American Resources	REX	⇧	33.98	33.14	$0.84	2.53%
Valero Energy	VLO	⇧	123.36	118.79	$4.57	3.85%
Velocys	VLS.L	⇧	5.80	5.32	£0.48	9.02%
DJIA	DJI	⇩	33,291.78	33,999.04	-$707.26	-2.08%

California moves step closer to 100% ZEV new-car sales by 2035

The California Air Resources Board (CARB) last week approved a rule establishing a year-by-year road map so that by 2035, 100% of new cars and light trucks sold in the state will be zero-emission vehicles (ZEVs).

The Advanced Clean Cars II rule "sets California on a path to rapidly growing the zero-emission car, pickup truck and SUV market," CARB said.

In June, CARB staff first presented its ZEV proposal to the CARB board and at the time concluded that it would significantly cut California fuel ethanol consumption. Farmer and ethanol producer groups have promoted allowing wider sales of plug-in electric hybrids post-2035 that would support more fuel ethanol use over a longer term.

California is second only to Texas in annual ethanol use by U.S. states, according to the latest EIA data, fluctuating over the last decade between the COVID-suppressed 1.3 billion gal estimate for 2020 and its 1.6 billion gal high point in 2018.

The ZEV timeline is "ambitious but achievable," CARB said, noting that by the time a child born this year is ready to enter middle school, only ZEVs or a limited number of plug-in hybrids will be offered for sale new in California.

The new regulation accelerates requirements that automakers deliver an increasing number of zero-emission light-duty vehicles each year beginning in model year 2026. Sales of new ZEVs and plug-in hybrid electric vehicle (PHEVs) will start with 35% that year, build to 68% in 2030 and reach 100% in 2035.

"Once again, California is leading the nation and the world with a regulation that sets ambitious but achievable targets for ZEV sales," CARB Chair Liane Randolph said in a statement. "Rapidly accelerating the number of ZEVs on our roads and highways will deliver substantial emission and pollution reductions to all Californians, especially for those who live near roadways and suffer from persistent air pollution."

The regulation "includes ground-breaking strategies to bring ZEVs to more communities," he added.

The Oregon Department of Environmental Quality called the move a "landmark regulation" and noted that it is moving forward with a similar rule, which it said "is vital to help achieve greenhouse gas emission reduction targets across the state and result in improved air quality and public health outcomes."

American Fuel & Petrochemical Manufacturers (AFPM) President and CEO Chet Thompson, however, said the ban "will have devastating implications for consumers, energy security and the U.S. manufacturing economy."

Thompson called the move "one of the most expensive and inefficient ways to address emissions and climate change," adding: "Liquid fuels, and competition among various technologies, offer a faster and much more affordable pathway to cleaner transportation than any California-style ban."

Spencer Kelly, skelly@opisnet.com

Michael Schneider, mschneider@opisnet.com

Government Policy:

USDA offers $100 million to retailers upgrading to higher biofuel blends

The U.S. Department of Agriculture (USDA) said in a news release last week that it will award $100 million more in grant funding under its Higher Blends Infrastructure Incentive Program (HBIIP) for retailers seeking to upgrade or retrofit their facilities to accommodate higher blends of biofuels.

Through the program, transportation fueling and biodiesel distribution facilities can apply for grants to help install, retrofit and/or upgrade fuel storage, dispenser pumps, related equipment, and infrastructure to be able to sell ethanol and biodiesel.

The agency said that applications for its latest round of funding are due Nov. 21. USDA added that it will cover up to 50% of a project's total cost, with the individual funding cap set at $5 million.

USDA last awarded HBIIP grant funding in August 2021, when $26 million helped 23 states increase their access to higher biofuel blends by 822 million gal/year.

The latest round of funding comes after the agency secured another $500 million for the program last week after President Joe Biden's signing of the Inflation Reduction Act of 2022 (IRA), which appropriated such funding through 2031. Under the measure, the USDA would also bump up its cost-sharing of total project costs to 75%.

Following the Tuesday announcement, several biofuel industry groups came out in support of the funding window.

Ron Lamberty, chief marketing officer at the American Coalition for Ethanol (ACE), praised USDA Secretary Tom Vilsack for continuing "to make funding available to help fuel marketers pay for equipment they install or upgrade to offer higher ethanol blends at c-stores, gas stations and blending facilities."

"This program helps make lower carbon ethanol blends available in more locations to help meet greenhouse gas reduction goals," Lamberty said in a statement.

"There are more than 20 million flex fuel vehicles on the road already and if we're serious about decreasing transportation carbon emissions, more E15 and E85 fueling locations can help move the needle in weeks and months, not years."

And Emily Skor, CEO of Growth Energy, said the group has "heard countless success stories from our retail partners about how HBIIP grants have helped them expand options at the pump and bring cleaner, more affordable options to drivers across the nation."

"Today's announcement reaffirms USDA's commitment to ensuring a new wave of growth for higher biofuel blends, and we look forward to working with members of the retail community to help them take full advantage of this growth opportunity," Skor said in a statement.

Geoff Cooper, president and CEO at the Renewable Fuels Association (RFA), said in a release that the group "greatly appreciate(s) the vision and leadership shown by Secretary Vilsack, and . . . [is] pleased by the Biden administration's recognition that ethanol and other renewable fuels are an important tool in the quest to achieve net-zero carbon emissions by 2050."

"USDA's previous investments in biofuels infrastructure yielded huge dividends for drivers this summer, as higher blends like E15 and E85 were the most affordable options at the pump," Cooper said in a statement.

The group said the grant period is not likely to exceed 36 months, and that, based on USDA's prior experience with the program, there are likely to be about 200 awards under the funding window.

"We greatly appreciate the vision and leadership shown by Secretary Vilsack, and we are pleased by the Biden administration's recognition that ethanol and other renewable fuels are an important tool in the quest to achieve net-zero carbon emissions by 2050," Cooper said in a statement.

Patrick Newkumet, pnewkumet@opisnet.com

Andersons Marathon Holdings, EPA agree on $1.73 million settlement

The U.S. Environmental Protection Agency (EPA) has reached a settlement of more than $1.7 million with The Andersons Marathon Holdings LLC over alleged Toxics Release Inventory reporting violations at four Midwest ethanol plants, the agency said Monday.

"EPA's Region 7 and Region 5 offices coordinated their investigations of Andersons Marathon's failure to file, failure to file timely and failure to file accurate annual Emergency Planning and Community Right-to-Know Act (EPCRA) Toxics Release Inventory (TRI) forms for several chemicals from its fermentation vapor stream," the agency said.

The company has agreed to pay a total penalty of $1,731,256 between two consent agreements and final orders, the largest EPCRA TRI penalty ever obtained by the agency, according to EPA.

The plants are located in Logansport, Indiana; Albion, Michigan; Greenville, Ohio; and Denison, Iowa.

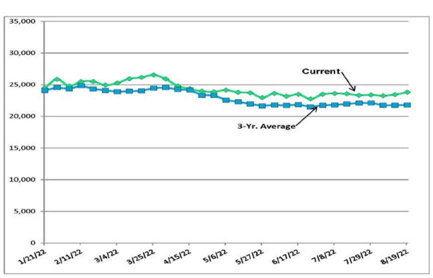
Region 5's action resolves 99 violations and results in a $1,522,015 civil penalty and Region 7's action resolves 32 violations and results in a $209,241 civil penalty.

Andersons Marathon has since filed its 2015-2020 EPCRA Toxic Chemical Release Forms and corrected its 2015-2020 data quality errors for certain chemicals, EPA said.

Key Supply and Demand Statistics (thousand barrels)

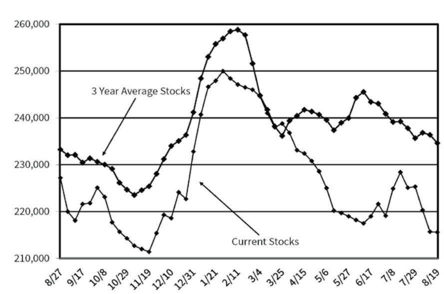
Ethanol Supply

Ethanol	7,718	7,509	7,077
PADD 1 Inventories	8,665	8,457	7,696
PADD 2 Inventories	4,333	4,357	3,817
PADD 3 Inventories	368	370	377
PADD 4 Inventories	2,722	2,753	2,846
PADD 5 Inventories	23,806	23,446	21,813
Total Inventories	**23,806**	**23,446**	**21,813**



Gasoline Supply

Gasoline	Current	Last Week	3-Yr Avg
PADD 1 Inventories	53,600	50,900	62,333
PADD 2 Inventories	46,800	46,700	50,133
PADD 3 Inventories	81,400	83,800	85,833
PADD 4 Inventories	6,200	6,200	7,033
PADD 5 Inventories	27,700	28,100	29,333
Total Inventories	**215,700**	**215,700**	**234,667**



Ethanol Production

Ethanol	Current	Prev Mo	3-Yr Avg
PADD 1	324	338	417
PADD 2	29,623	27,260	26,707
PADD 3	703	732	481
PADD 4	437	434	306
PADD 5	226	207	344
Total Production	**31,313**	**28,971**	**28,255**

Gasoline Production

Gasoline	Current	Last Week	3-Yr Avg
PADD 1	3,222	3,292	3,239
PADD 2	2,535	2,586	2,606
PADD 3	2,084	2,227	2,212
PADD 4	398	370	340
PADD 5	1,495	1,480	1,520
Total Production	**9,734**	**9,955**	**9,917**

It added that the agency and the company agreed as to how Andersons Marathon will report its future manufacture, process or other use of fermentation chemicals.

Michael Schneider, mschneider@opisnet.com

In Key Commodity Markets:

In finished markets...

Crude and gasoline futures were a mixed bag over the past week, with gasoline continuing to weaken and crude futures moving higher on signs that the U.S. will not make additional concessions to Iran to restore Tehran's nuclear pact with the West, which would significantly increase global supply.

Thursday marked the 72nd straight day the average U.S. gasoline price has fallen. If one uses a demand estimate of about 9 million b/d, the US bill for gasoline has dropped by about $433 million since the peak $5.015/gal average on June 14.

The NYMEX front-month September RBOB contract that settled Thursday at $2.8121/gal added 1.14cts from Wednesday but stood 21.4cts lower week to week. Thursday's settle was down nearly $1.50 from RBOB's June 9 settle at $4.2762/gal, the highest front-month settle in the history of the contract.

The forward-month October RBOB gasoline contract added 0.54ct on Thursday to settle at $2.6524/gal, losing 13.6cts on the week to hold a 15.97ct discount to the front-month contract.

The weakness in gasoline futures moved against the grain of slightly higher levels seen in upstream crude oil futures. The front-month October West Texas Intermediate (WTI) crude oil futures contract settled lower by $2.37 on Thursday at $92.52/bbl, adding $2.02 from where the front-month contract stood a week prior.

After heavy early week losses, gasoline and crude oil futures had divergent reactions to the latest midweek round of weekly supply and demand estimates from the U.S. Energy Information Administration (EIA).

For the week that ended Aug. 19, the agency said crude oil inventories shed 3.282 million bbl to 421.672 million bbl, a two-month low. Gasoline stocks moved marginally lower, shedding 27,000 bbl to 215.647 million bbl, a nine-month low. Gasoline stocks still stood about 5% lower year on year.

Regionally, gasoline stocks were lower as a large build on the East Coast was offset by draws in the Gulf and West Coasts. Gulf Coast supplies led the way with a 2.383-million-bbl decline to a two-month low of 81.398 million bbl, while West Coast stocks shed 462,000 bbl to 27.683 million bbl. On the build side, East Coast supplies added 2.739 million bbl to 53.592 million bbl, Midwest stocks gained 52,000 bbl to 46.776 million bbl, and Rocky Mountain stocks tacked on 28,000 bbl to 6.199 million bbl.

Gasoline exports rose to 920,000 b/d, up from 902,000 b/d in the previous week and above the year-ago level of 911,000 b/d. Exports outpaced imports, which slipped to 615,000 b/d from the week-ago level of 715,000 b/d and trailed the 1.076 million b/d posted a year prior.

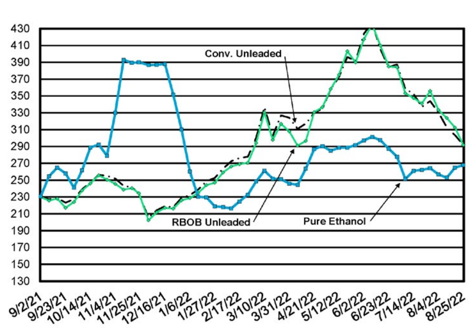
Gasoline production slowed by 221,000 b/d on week to 9.734 million b/d. Production was down about 1% from the year-ago rate of 9.97 million b/d and lagged the five-year average at 10.007 million b/d. Despite the weaker gasoline production, the U.S. refinery utilization rate rose to 93.77% from 93.53% in the week prior, above the year-ago rate of 92.448%.

EIA's measurement of gasoline demand was at 8.434 million b/d, tumbling 914,000 b/d on the week. Demand stood substantially lower than the year-ago level of 9.572 million b/d and the five-year average of 9.676 million b/d.

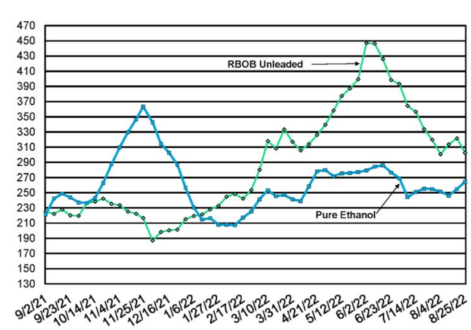
An OPIS survey of more than 15,000 retail stations nationwide showed that nationally, the average volume of fuel

Ethanol vs. Spot Unleaded and "BOBs" in Key Markets

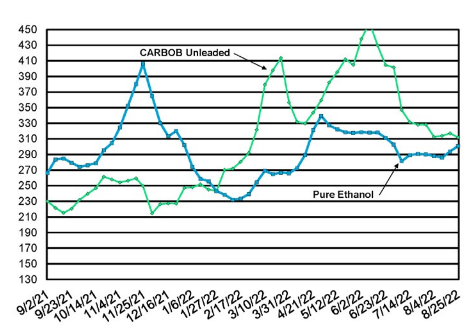
New York



Chicago



Los Angeles



Note: OPIS Refined Spots and Ethanol averages are based on full-day prompt assessments for each market.

sold by retailers during the week ending Aug. 20 was down by 1.1% from the previous week. Sales volumes were 7.5% below where they were during the same week in 2021 and stood 18.6% below the demand seen in the same week of pre-pandemic 2019.

On the refinery front, a BP spokesperson told OPIS in an emailed statement that the company's 440,000 b/d Whiting, Ind. refinery on Wednesday experienced an electrical fire. The spokesperson noted that the fire was extinguished, and precautions were taken to shut down the affected units. Furthermore, no one was injured during the incident and there have been no known impacts outside of the refinery. BP officials are determining when a restart of the affected units can take place.

In cash gasoline markets on Thursday, Gulf Coast CBOB discounts stood about 28cts higher on the week at 6.5cts under the NYMEX RBOB contract. Chicago CBOB added 16cts on the week to a penny premium to the Merc, Group 3 sub-octane gasoline markets shed 4.5cts to stand at a 22ct discount, and New York CBOB differentials held a 4ct discount, down 8cts from a week prior.

In West Coast cash gasoline markets, Los Angeles CARBOB premiums added 22.5cts on the week to stand 44cts over the Merc, San Francisco CARBOB premiums added 10.5cts to sit 44cts over the Merc, and Pacific Northwest sub-octane gasoline differentials were unchanged at a 28.5ct premium.

At retail pumps, U.S. gasoline prices on a national average for regular unleaded gasoline were at $3.878/gal on Thursday, according to the latest data from AAA using data compiled by OPIS. That had street prices down 4cts from week-ago levels and 47.7cts under month-ago levels. On a year-to-year comparison, prices are now 73.1cts above the average of $3.147/gal at the same time of 2021.

U.S. average rack-to-retail gasoline margins in the week that ended Aug. 22 fell to a two-month low. OPIS data had retail margins averaging 44.2cts/gal in the U.S., down 3.4cts from the previous week and down from a margin of 81.9cts/gal five weeks prior when margins were at multiyear highs. Retail prices slipped 5.8cts to $3.916/gal, while rack prices shed 2.3cts to $2.914/gal.

In natural gas...

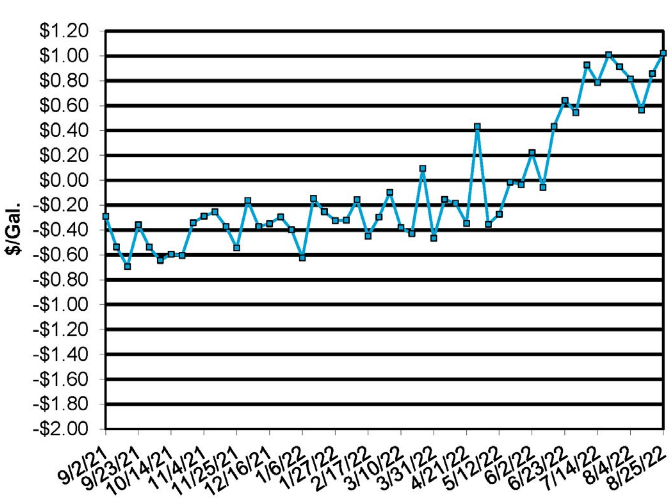
While the run-up in world natural gas prices garnered a lot of attention over the last week, U.S. natural gas futures tended to run mixed over the week before turning higher again amid an as-expected inventory report that left gas supply well behind recent historical levels.

In next-day cash activity, Henry Hub natural gas trading around $9.34/mmbtu Thursday that added 5cts day to day, still traded off 8cts week to week. Chicago Citygate spots at $8.76/mmbtu on the day dropped 4cts from the day before but held 7cts higher than week-ago values. Spot prices at the Henry Hub threatened the $10 mark early last week, but cooled after reports emerged that the fire-damaged Freeport LNG plant would delay its partial restart to an early-to-mid November timeframe.

The liquefied natural gas processing facility that used more than 2 bcf/day of natural gas and accounted for some 20% of U.S. exports before a June 8 fire shut operations had been expected to restart in October.

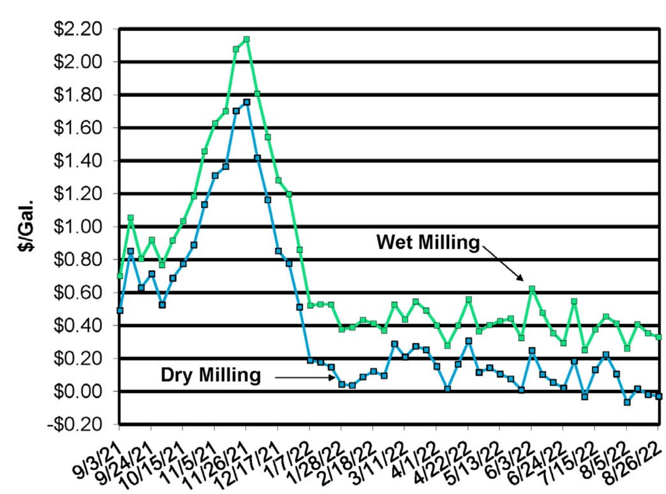
Plant Profitability

Biodiesel Gross Margins for Midwestern Plants ($/gal)



*Biodiesel production margin calculated from cash feedstock costs and sales values for soy methyl ester biodiesel plants and are estimates of industry trends under current market conditions. Profits for any given biodiesel plant could be higher or lower.

Ethanol Gross Margins for Midwestern Plants ($/gal)



*Dry Milling margin calculated from cash feedstock and product sales values for wet and dry-mill plants and are an estimate of the industry trend under current market conditions. Profits for any given ethanol plant could be higher or lower.

On the NYMEX futures market, natural gas contracts also rallied early last week, for a time surpassing $10 for the first time since July 2008. Paper traders weighed tight perceptions of domestic supply, spiking European gas prices but word of the Freeport delay also helped pull gas futures off its highs early last week.

Following the 60 bcf build that EIA reported for natural gas stockpiles over the week ending August 19 on Thursday, gas futures vacillated before front-month September gas settled the session 4.5cts higher, and at $9.375/mmbtu adding 18.7% week to week. More active October gas settled the Merc up 4.4cts at $9.344/mmbtu on the day and 17.4cts higher over the last week.

However, EIA's natural gas build for the report week, while strong against the historical record, still left U.S. gas supply at a 9.4% deficit against the same time last year and at 2,579 bcf about 12% behind the week's five-year inventory average.

The average rate of storage additions so far this April-through-October injection season is 6% behind what the

National Renewable Fuel Feedstock/Co-Product Price Index

Feedstock/Co-product	Location/Source	Spot Price	Previous	4-Wk. Avg.
Palm Olein	US/Gulf Coast	$0.52/lb	$0.5750	$0.5313
Soybean Oil - Crude Degummed	Central Illinois	$0.7359/lb	$0.7076	$0.7089
Soybean Oil - Crude Degummed	Central Illinois - USDA	$0.7457/lb	$0.7098	$0.7214
Soybean Oil - RBD*	Central Illinois - USDA	$0.8659/lb	$0.8426	$0.8414
Canola Oil	West Coast	$0.9409/lb	$0.9241	$0.9643
Canola Oil	Midwest	N/A	N/A	N/A
Corn Oil - Crude	Midwest	$0.75/lb	$0.7500	$0.7588
Corn Oil - Refined	Midwest	$1.29/lb	$1.2900	$1.2513
Corn Oil - Distillers	Midwest	$0.7373/lb	$0.7183	$0.7137
Beef tallow	Chicago	$0.8/lb	$0.8200	$0.8150
Choice White Grease	Chicago	$0.74/lb	$0.7400	$0.7400
Poultry Fat (Low FFA)**	Southeastern US	$0.705/lb	$0.7050	$0.7056
Yellow Grease	Illinois	$0.61/lb	$0.6100	$0.6088
Methanol	US Gulf Coast	$1.09/gal	$1.0750	$1.1150
Soy Meal (Hi-Pro)***	Illinois Truck	$414.3/ton	$407.90	$444.55
Corn	Central Illinois	$7.33/bu	$6.7000	$6.7900
Soybeans	Central Illinois	$18.13/bu	$16.5600	$16.7550
Crude Glycerin (80%)	FOB Midwest	$0.1525/lb	$0.1525	$0.1569
DDG-S (Distillers Dried Grains w/ Solubles)	Eastern Cornbelt - USDA	$218.33/ton	$208.7500	$211.4575
Corn	Kansas City - USDA	$7.35/bu	$7.1475	$7.0906
ULSD	OPIS National Average	$3.9611/gal	$3.6633	$3.6137
RBOB	OPIS National Average	$2.9369/gal	$3.1801	$3.0726
Ethanol	OPIS National Average	$2.625/gal	$2.5747	$2.5424
Unleaded RFG	OPIS National Average	$2.6669/gal	$2.9123	$2.8428
Natural Gasoline	Mt. Belvieu Non-TET	$1.7175/gal	$1.7288	$1.7338
Natural Gasoline	Conway In-well	$1.7725/gal	$1.7325	$1.7481
Ethanol RINs (Current Year)	OPIS National Average	$1.62/RIN	$1.6150	$1.6175
Ethanol RINs (Previous Year)	OPIS National Average	$1.625/RIN	$1.6200	$1.6225
Cellulosic RINs (Current Year)	OPIS National Average	$2.875/RIN	$2.9500	$2.9688
Cellulosic RINs (Previous Year)	OPIS National Average	$3.37/RIN	$3.2500	$3.3425
Biodiesel RINs (Current Year)	OPIS National Average	$1.755/RIN	$1.7650	$1.7625
Biodiesel RINs (Previous Year)	OPIS National Average	$1.805/RIN	$1.8150	$1.8125
Advanced Biofuel RINs (Current Year)	OPIS National Average	$1.75/RIN	$1.7600	$1.7575
Advanced Biofuel RINs (Previous Year)	OPIS National Average	$1.8/RIN	$1.8100	$1.8075
West Coast LCFS Carbon Credit	California/Oregon	$100.375/mt	$98.5000	$99.1563
West Coast LCFS Carbon Intensity	California/Oregon	$0.0082/CI	$0.0080	$0.0081

*refined, bleached, deodorized **free fatty acids ***high protein

Data provided, in part, by World Energy, www.worldenergy.net five-year average would suggest as normal heading into latter August.

The recent resurgence in natural gas price volatility in Europe did not go unnoticed, driven early last week to record highs when Gazprom announced it would pause gas flows from Russia in its Nord Stream pipeline for three days at the end of August. Such a move raises worries that flow stoppages could continue as high-demand winter season looms later this year.

It also raises the prospects for U.S. LNG export needs. The EIA report week showed a 0.1 bcf gain LNG export terminal gas deliveries, to 11.1 bcf/day. LNG export vessels from the U.S. numbered 21 and totaled 79 bcf of export capacity over the week ending August 24.

The six-month natural gas futures strip settled the NYMEX averaging more than $9.4148/mmbtu Thursday, up more than 20.23cts week to week and flipping back into a premium of more than 7.48cts against next-day Henry Hub cash values.

In corn markets...

Following six consecutive session gains on the Chicago Board of Trade, corn futures took what many considered a breather Thursday pegged largely on profit-taking amid technical resistance, but concerns over crop quality and yield prospects remained in place.

Corn futures that breached a two-month high by the middle of last week, had the 2022 contracts last pulling back a bit, but front-month September corn that slumped 8.25cts in Thursday trading to settle at $6.575/bu still rallied 37.75cts week to week. December corn, now the much more active and more relevant contract, built up a 34.25cts week-to-week gain despite settling off 7.25cts at $6.50/bu for the Thursday session.

Most observers felt that the Thursday downturn did not represent any long-term reversal in store for corn markets, instead noting less farm-friendly weather in some forecasts as well as a very important Pro Farmers survey of key corn fields that suggested lighter yields than many expected.

The Pro Farmer tour was expected to issue nationwide corn output and yield estimates ahead of last weekend, but numbers for some key states trickling in had Illinois yield pegged 190.71 bu/acre about 2.8% lower year to year. The Nebraska number at 158.53 bu/acre underperformed a year ago by 13%, while the yield estimate for South Dakota at 118.45 bu/acre is off almost 22% against the 2021 number and a 10-year low for that state.

There are particular worries over scorched western Corn Belt regions where areas continued to receive dry forecasts by late last week.

Meantime, USDA's estimate for crop conditions took a hit when the agency kicked off last week reporting 55% of the crop in either good or excellent shape, a drop of two percentage points from the week before when most analyst expected conditions to hold unchanged or perhaps slightly improve over the week. A year ago, 60% of the crop rated good-to-excellent.

The agency also showed an increase in the lowest condition ratings, with 18% poor or very poor for the week, compared to 16% the week before and only 14% the same time in 2021.

Crop development was still playing catchup, according to USDA, with 97% of corn silking still behind the 99% five-year average and 75% in dough stage compared to a 79% five-year average and 83% a year ago. Still, the 4% of the crop reaching mature status is on track with the same time last year as well as the five-year average.

USDA's export indications remained opaque by late last week. The agency retracted the Thursday release of its weekly Export Sales report over suspect data quality in the wake of the implementation of newly revised formatting in its reporting system.

Kansas City No.2 yellow truck corn cash prices added 17.75-22.75cts over the last week at $7.2750-$7.4250/bu. At the same time, Chicago No.2 corn cash prices running $7.2250-$7.3250/bu gained 12.75-37.75cts week to week.

In biodiesel...

Conventional diesel's calculated price premium over biodiesel grew again last week as prices for the fossil fuel significantly outpaced those of the biofuel by late Thursday.

The U.S. B100 rack price on Thursday averaged $7.238/gal, up 12.2cts week to week, while the average rack price for on-road diesel rose by 36.9cts from the week prior, to $4.15/gal nationwide.

The front-month August soybean oil futures contract rose by 2.83cts last week to 69.09cts/lb., while the bean oil/heating oil, or BOHO, spread contracted by 9.08cts to about $1.14/gal. The higher the spread, the more expensive it is to produce biodiesel.

OPIS assessed 2022 biomass-based diesel D4 RINs at $1.755/RIN by Thursday, down a cent from the previous week.

Including the $1/gal federal blender's credit and a D4 RIN that provided about $2.63/gal in additional value, conventional diesel saw its premium over biodiesel widen to 54.45cts from 31.22cts the week prior.

In DDGs...

While Midwest producers did not appear to move the needle much as far as distillers dried grains output, strong cash corn prices over the last week and firmer soymeal values of late provided an environment for DDG price gains over the last week even as buying interest remained guarded, at best.

In Iowa, FOB prices moved mostly higher on the week, with some locations slipping $5 but gains of as much as $15 showing up later last week, with $220-$255/ton noted. Minnesota DDGs also had some of the lower quotes down $5 on the week but with $220-$255 under discussion the upper end of values gained $10 week to week. In the Eastern Corn Belt, meantime, DDGs at $190-$245 ran flat to $10 higher on the week.

In Nebraska, DDGs moved $19-$20 higher at $259-$285. Kansas DDGs had prices quoted from $235-$265 for the second week in a row.

New Orleans DDGs at $250-$265 moved up $5 week to week. Western DDG markets tipped higher on the week, with California prices at $315 adding $3-$5 from the week before, and those in the Pacific Northwest moved up $2-$3 at the same time, at $314-$315.

Meantime, indications from Midwest producers that constricted sharply the week before, remained nearly unchanged, according to the latest industry data from EIA covering the week ending August 19. Midwest producers only regained abut 0.22% after trimming operations more than 4% the previous week, though it is still 5.1% ahead in year-to-year comparison.

In natural gasoline...

Mont Belvieu non-TET (Enterprise) natural gasoline was constrained to its recent range of trading through late last week.

The spot natural gasoline market opened the last week averaging as low as $1.68/gal before running up to hit its average high of $1.7375/gal the following day. By the end of the week, early activity returned to spanning a range of $1.68-$1.69/gal at last look.

Throughout the month of August, non-TET natural gasoline anys have averaged between $1.65625-$1.7875/gal.

Anys prices remained higher than in 2021, though this premium narrowed to 6.4% (compared with $1.58375/gal a year ago) from a 16.2% premium the week prior.

An industry analyst said natural gasoline is "behaving consistent with the seasonal patterns," where there is lower seasonal demand for gasoline blending, as well as lower gasoline demand in general. Non-TET natural gasoline has come down from over $2/gal in July and, more broadly, an almost 14-year high of $2.895/gal in the first quarter, specifically on March 8.

Natural gasoline's ratio to WTI, meanwhile, hovered in the upper 70% range, below five-year-average levels of 88%-89%. With winter approaching, one analyst noted that there was "no physical, trading or technical reason" that this ratio shouldn't continue to weaken for the foreseeable future.

In ultra-low-sulfur diesel...

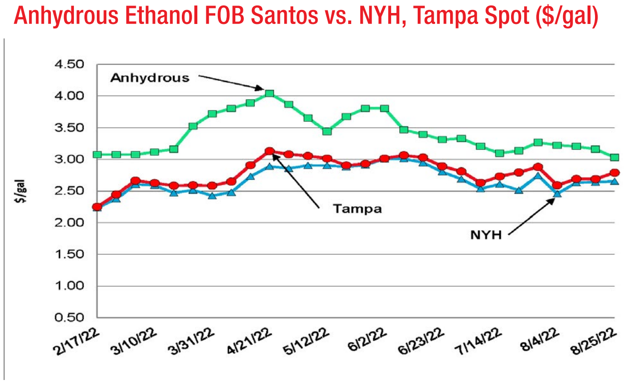
Despite some futures selling that erupted late last week, ultra-low-sulfur diesel markets had a big week that often countered the broader petroleum market, especially versus gasoline as the hefty price gap between the two fuels turned wider week to week.

NYMEX front-month September ULSD contract prices that settled 6.41cts lower in Thursday trading still jumped 29.94cts, or 8.2% week to week, to $3.9491/gal. The more active October contract at $3.8823/gal lost 8.26cts on the day still held 27.9cts higher than the week-ago settle.

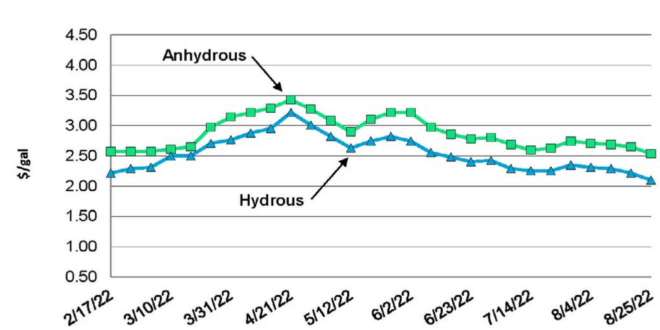
At the same time, gasoline futures on the Merc moved in the opposite direction over the last week. September RBOB settling the day at $2.8121/gal dropped 21.4cts, or nearly

Brazil Ethanol Spot

Anhydrous Ethanol FOB Santos vs. NYH, Tampa Spot ($/gal)



Anhydrous vs. Hydrous FOB Santos ($/gal)



Brazil ethanol is anhydrous FOB Santos and includes a transportation fee and tax.

7.1%, over the last week while October RBOB shed 13.6cts week to week, off 4.9% at $2.6524/gal.

The Thursday contract comparisons left September ULSD futures holding a $1.137 premium over September RBOB. The October ULSD ended the day priced at a $1.2299/gal premium over RBOB.

That difference filtered down to cash markets last week, and Thursday Gulf Coast ULSD spots trading 2.25cts under the Merc indicated an outright price that climbed 27.16cts week to week, and at $3.8598/gal fetched $1.2724/gal more than CBOB gasoline spots. Chicago ULSD trading a 15.75ct-to-Merc premium and $4.0398/gal outright held a $1.3774 spot premium over CBOB.

Such price moves also reflected in spot markets point to a clear financial interest for U.S. refiners to maximizing their diesel output. In fact, traders note that diesel "cracks" in various US bulk markets have regularly exceeded $60/bbl eve with the season for higher world demand yet to arrive.

The profit motive may be behind refining activity that boosted distillate output to a healthy 5.2 million b/d over the report week, topping both a year ago and the five year average.

Distillate stocks of all stripes will receive more attention in the coming weeks, in part because the trade expects surging European natural gas prices to bring on fuel switching there, a factor that could attract more U.S. diesel exports there as well.

EIA recorded more than 11 million bbl in distillate exports over its report week, and at 1.579 million b/d the outflow is 46% higher than the year-ago week and outpacing the week's average for the previous five years by 31.7%.

At home, U.S. distillate stocks remain worrisome in New England and Central Atlantic subregions as inventory still hovers at 14.6 million bbl over the latest Aug. 19 EIA report week. Northeast stocks hold almost 20 million bbl less than a year ago and little more than one-third this time in 2020.

Nationwide, ULSD stockpiles show less than 100.71 million bbl on hand, down 1.725 million bbl, or 1.68%, week to week, a 25.78 million bbl year-to-year deficit as well as down 32.1 million bbl versus the week's five-year average.

While East Coast ULSD stockpiles expanded 1.13 million bbl week to week, up 4.6%, the 25.584 million bbl stocks there are still at heavy year-ago and five-year deficits, down 12.9 million and 18.7 million bbl, respectively.

While EIA data more or less supported a suspected trade bias for long diesel, short gasoline, the combination of domestic and offshore demand for diesel indicates a calculated days-of-supply at just about 20 days.

European and Brazilian Markets:

European Markets

Greenergy is increasing production in its Amsterdam biodiesel manufacturing plant by more than 25%, the U.K. fuel supplier said Thursday.

The company is also upgrading its pre-treatment processing capability to treat a wider range of waste oils as feedstocks for biodiesel production, it said.

The upgrades will be complete in 2023.

"With waste oils a proven feedstock to reduce on-road vehicle emissions," the company said, "this strategic investment also supports Greenergy's commitment to drive transport decarbonization and meet future demand for advanced biofuels."

CEO Christian Flach said the investment "strengthens our position as Europe's largest manufacturer of biodiesel from wastes."

"As a company focused on the energy transition, we are always looking at how we can further reduce the carbon intensity of our fuel products," he added. "This investment will help accelerate the transition and drive real carbon emissions reduction for road transport."

• • •

The European Union (EU) has minimized the role that biofuels could play in reducing emissions, according to David Carpintero, director general of European renewable ethanol association ePURE.

The EU in recent months has taken important steps toward strengthening energy independence and food security while sticking to ambitious commitments in the fight against climate change, Carpintero said Monday in a news release from ePURE that quotes an article he penned for Ethanol Producer Magazine.

However, he said the EU "keeps sending mixed signals when it comes to making the best use of an immediate, cost-effective and socially inclusive solution to all these challenges: sustainable biofuels."

"One example is the agreement reached by EU member states in June on a de facto ban on sales of cars with internal combustion engines in 2035," Carpintero added.

He said EU policymakers have placed their bets for transport decarbonization on electrification, which he called a technology that is growing but still not widespread.

"In doing so, they have further minimized the role that renewable ethanol could play in reducing emissions from the petrol and hybrid cars that Europeans continue to buy and drive," he said.

Carpintero said Europe needs to include ethanol in a range of solutions to decarbonize transport, "not just one technology that isn't yet fully attainable for all segments of society."

A more realistic EU approach, he said, "would make it clear to EU citizens that there are no 'zero emission' cars."

"Measured on a full lifecycle, there are always emissions and always costs," he added. "A socially inclusive transition to carbon neutrality should empower all citizens and all countries, not just those who can afford new technologies and infrastructure."

• • •

International Airlines Group (IAG) has signed an agreement with U.S. renewable fuel producer Aemetis for the supply of sustainable aviation fuel (SAF) to help power flights operated by British Airways and Aer Lingus leaving San Francisco International Airport from 2025, according to a press statement Monday.

The Spanish-registered parent company of both British Airways and Aer Lingus will purchase a total of 78,400 unblended metric tons of SAF over seven years, reducing carbon dioxide emissions by up to 248,000 mt over that period, IAG said in the statement.

Michael Schneider, mschneider@opisnet.com

Brazilian Markets

Anhydrous Ethanol $2.4605-$2.6119 Hydrous Ethanol $2.0252-$2.1766
(FOB Santos, 8/25/22, prices in U.S. $/gal)

The Brazilian Sugarcane Industry Association (UNICA) on Friday reported a significant slow-down in the production of ethanol in its South-Central region compared to levels seen this time last year.

The current sugarcane harvest season started April 1.

Regional mills processed 38.62 million tons of sugarcane in the first half of August, down 13.73% from the 44.76 million tons processed in the same period of 2021, UNICA said in its latest biweekly report.

The group said ethanol production in the first half of August fell 10.17% from last year to 1.99 billion liters. Within that total, anhydrous production decreased 7.72% to 851 million liters, while hydrous ethanol fell 11.91% to 1.146 billion liters. Corn ethanol accounted for 165 million liters of production.

In Brazil, hydrous ethanol competes with gasoline at the pump, and anhydrous ethanol is blended into gasoline at a rate of 27%.

Sugar production totaled 18.62 million tons, down 13% from 21.36 million tons produced in the same period last year.

Regional mills have started off this year prioritizing ethanol output, with 55.29% of processed cane going toward ethanol production and 44.71% toward sugar production. In the first half of August, those numbers moved closer to parity, according to UNICA, which showed only 53.05% of processed cane used to make ethanol during that period.

In the first half of August, regional producers sold 1.14 billion liters of ethanol in the domestic market, off .89% year to year. Sales volumes broke down to 645 million liters of hydrous ethanol (down 6.25% year on year) and 493 million liters of anhydrous ethanol (up 15.72%).

Because of its lower fuel efficiency, hydrous ethanol is considered a more attractive option for Brazil's flex-fuel vehicle drivers when its pump price is less than 70% the price of gasoline.

Market update

Ex-mill hydrous and anhydrous ethanol assessments continued to slip in by August 19 – continuing a trend seen in the value of both commodities since the second week of April.

For the week ended August 19, the University of São Paulo's CEPEA economic research center assessed ex-mill anhydrous ethanol in São Paulo state at R$3.1788/liter, down 5.9% versus the prior week and down 15.41% from the year earlier assessment of R$3.7583/liter.

For the week ended August 19, CEPEA assessed ex-mill hydrous ethanol at R$2.5902/liter, down 7.65% from the prior week and 18.56% from the year earlier assessment of R$3.1806/ liter.

Both ex-mill hydrous and anhydrous ethanol prices have slipped since the second week of April – falling by 32.54% and 22.4%, respectively, from that point through the week ended Aug. 19.

The last time ex-mill hydrous ethanol prices were at parity with year earlier prices was the week ended March 4. Because of its lower fuel efficiency, hydrous ethanol is considered the less attractive option for Brazil's flex-fuel vehicle drivers when its pump price exceeds 70% of the price of gasoline.

Patrick Newkumet, pnewkumet@opisnet.com

News of the Week:

STEER EV to lease 1,000+ electric vehicles from Enterprise Fleet Management

STEER EV has signed an agreement to lease over 1,000 electric vehicles (EVs) from Enterprise Fleet Management, STEER announced last Monday.

The vehicles will be used to expand STEER's subscription business, which allows drivers to access and use EVs with a monthly plan. The company also offers business and delivery-as-a-service options.

The EVs from Enterprise are valued at $80 million to $150 million, the company said.

"The data we have collected, including from our recent launches in Texas and British Columbia, as well as preparations for the upcoming launch in Florida, has demonstrated a growing demand for a month-to-month all-inclusive subscription service," said STEER CEO Suman Pushparajah in a statement.

STEER intends to use the vehicles to expand to new regions; its services went live in British Columbia just this month. It is based in Toronto and maintains hubs in Washington, D.C., and Austin, Texas.

Group urges flexibility in DOT's 50-mile EV charger proposal on US highways

NATSO, a national trade group for the travel plaza and truckstop industry, last Monday called for the U.S. Department of Transportation (DOT) to allow "flexibility" in its proposed rule that states must install electric vehicle (EV) charging stations every 50 miles along some interstate highways.

Many states, especially in rural America, where private rest stops are less abundant, "will need that flexibility to deploy EV charging stations in partnership with the private sector under the National Electric Vehicle Infrastructure (NEVI) Formula Program," Tiffany Wlazlowski Neuman, NATSO vice president of public affairs, said in a statement.

"When rural states are forced to identify sites for charging stations every 50 miles, it could dissuade them from working with off-highway businesses to foster a competitive market for EV charging services, and prompt them to consider installing EV charging in rest areas," she said.

In February, the DOT said in its proposed rule-making for NEVI that it "encouraged EV chargers to be spaced a maximum distance of 50 miles apart" along designated alternative fuel corridors – a network of EV chargers, hydrogen, propane and natural gas fueling infrastructure.

NEVI was part of the Bipartisan Infrastructure Law 2021, which set sight on a national network of 500,000 EV chargers along alternative fuel corridors on existing federal interstate highway system.

NATSO calls the proposed ruling in placing EV chargers 50 miles apart "arbitrary" and "not a statutory requirement."

Federal law generally prohibits states from commercializing the right-of-way along interstate highways, except for certain activities such as tourism promotion and selling lottery tickets or DOT-approved items in vending.

The restriction, which has existed since the federal Interstate Highway Program was launched in 1956, is intended to avoid state-approved or supported monopolies on services for travelers such as food and gasoline.

One advocacy group, the Electrification Coalition, said the proposed federal 50-mile rule is an important part of establishing a nationwide network of charging stations.

"They also have put in place a system to ask for exceptions to the rule to provide states with some flexibility, but it's important that the federal government set a national standard because it's an important signal to demonstrate to states and industries that the future of transportation is electric," Chris Bast, director of EV infrastructure investments at Electrification Coalition, said to OPIS.

Ethanol margin doubles, biodiesel margin up slightly: CARD

The average U.S. margin for ethanol more than doubled from the week prior on a massive fall in input prices, while the margin for biodiesel rose slightly on a meager decrease in input prices, according to data from Iowa State University's Center for Agricultural and Rural Development (CARD) released Tuesday.

The school also said the average return over operating costs at a typical dry-mill ethanol plant rose to 32.8cts/gal, up from 15cts/gal in the previous week. Last week's margin was up 6.6cts from the corresponding week of 2021, when the average margin recorded was 26.2cts/gal.

CARD said the average Iowa ethanol price rose to $2.47/gal from $2.44/gal in the week prior, which is 29.5cts higher on the year.

The school said the average margin at a typical continuous flow biodiesel plant that uses soybean oil as a feedstock in the week ended Aug. 19 rose to 39.86cts/gal, up from 31.47cts/gal in the previous week. In the same week of 2021, the average margin was minus 98.85cts/gal.

The report said the average price of soybean oil fell 1.63cts from the week prior to 75.15cts/lb., which was below the year-ago average of 79.04cts/lb.

The average Iowa biodiesel price was $6.56/gal, down 4cts from the week prior. In the same week of last year, the price was $5.45/gal. OPIS on Friday assessed spot biodiesel in Chicago at $7.39/gal, up 24cts week to week.

TotalEnergies completes supply of marine biofuel to containership

Bunkering supplier TotalEnergies Marine Fuels has completed the first biofuel bunkering operation of a containership in Singapore, said the company in a press release on Aug. 25.

The bunker operation was performed on July 11, where the COSCO Shipping Lines' 4,250-teu containership, the COSCO Houston, was refueled with TotalEnergies supplying sustainable biofuel in Singapore.

Through a ship-to-ship transfer, the blend with very low sulfur fuel oil (VLSFO) containing 20% of ISCC-certified used cooking oil methyl ester (UCOME) was bunkered via an operation with support from the Maritime and Port

Authority of Singapore (MPA) and the involvement of tank storage company Vopak Terminals Singapore at Penjuru, said TotalEnergies.

The amount of the sustainable biofuel supplied to the COSCO Houston was not disclosed but was consumed during the container vessel's voyage from Singapore to Jakarta, Indonesia.

TotalEnergies estimated that its biofuel will reduce approximately 17% of greenhouse gas (GHG) emissions as compared to conventional fuel oil.

Sierra Club seeking names of landowners contacted about Navigator project

Paperwork is being filed today asking that the Iowa Utilities Board (IUB) deny Navigator Heartland Greenway LLC's request that a list of landowners it has contacted regarding its proposed pipeline be kept confidential, the lawyer involved in the move told OPIS.

"Navigator has made no showing that it has any valid interest in preventing release of the landowner list," Wallace L. Taylor, an attorney for the Iowa chapter of the Sierra Club, said in the filing.

"The facts lead to the obvious conclusion that Navigator simply wants the landowner list for itself so its agents can harass and intimidate landowners into signing easements and send the landowners propaganda and misinformation, while the landowners cannot communicate with and support each other in opposing Navigator's plan to place an unwanted pipeline on their property."

The Heartland Greenway system is to capture CO2 from more than 30 receipt points, transport it via pipeline and store it underground. The system is designed to provide biofuel producers and other industrial customers in Illinois, Iowa, Minnesota, Nebraska and South Dakota with a means to reduce their carbon footprint.

No landowner has said that he or she does not want the list made public, according to Taylor, and many of them have asked the IUB to make the list public.

Navigator alleges that the landowner list is a proprietary trade secret that would give advantage to competitors, according to the filing, but Navigator has not cited any law that provides them confidentiality of that information on that basis.

"Neither the IUB nor Navigator has credibly shown any exemption to the Open Records Law that would apply to the landowner list at issue here," the filing says. "Therefore, pursuant to Sierra Club's open records request, the IUB must release the landowner list."

Ethanol group says gasoline prices drove Minnesota surge in E15, E85 sales

Minnesota E15 sales volumes hit a record high in June, while sales of E85 in the state rose to their highest level in nine years as gasoline prices soared to an all-time high, according to a Renewable Fuels Association (RFA) analysis of the state's data.

E85 volume in Minnesota rose by 54% from June 2021, as the average price for the blend fell by 91cts/gal to put it 19% below regular gasoline. June was the fourth-highest monthly volume of E85 sales since the Minnesota Department of Commerce began recording the data more than a decade ago, the ethanol industry group said.

E15 volume in the state rose to an estimated 16.5 million gallons in June, 40% more than was used in June 2021. The state commerce department reported Minnesota consumers saved an average of 16cts/gal on E15.

An emergency waiver announced by President Joe Biden in April that has been extended by the U.S. Environmental Protection Agency lifted summer restrictions on E15 sales this year. Favorable prices, along with the waiver helped E15 volumes set record levels and helped relieve tight gasoline supplies, RFA said.

AAA reported regular gasoline prices at the pump hit an all-time high of $4.759 in Minnesota on June 15. The Minnesota Commerce Department reported 87 octane averaged $4.70/gal at fuel stations in June, while E85 averaged $3.99/gal and E15 averaged $4.54/gal.

For subscription information, please call 888.301.2645 (U.S. only) or +1 301.284.2000
or email energycs@opisnet.com.

©2022 Oil Price Information Service, LLC. All rights reserved. 2099 Gaither Road, 5th Floor, Rockville, MD 20850-4089.
Ethanol & Biodiesel Information Service (EBIS) is published weekly.
OPIS does not guarantee the accuracy of these prices. Reproduction of this report without permission is prohibited. To order copies or a limited copyright waiver, contact OPIS Customer Service at 888.301.2645 (U.S. only), +1 301.284.2000 or energycs@opisnet.com. Ethanol pricing inquiries, contact Spencer Kelly, 301.284.2022, skelly@opisnet.com. Biodiesel inquiries, contact Tanya Lee, 301.284.2135, tlee@opisnet.com. STAFF: Brad Addington, Jeff Barber, Jennifer Brumback, Jordan Godwin, Aaron Alford, Patrick Newkumet, Spencer Kelly, Tom Kloza, Michael Schneider