

A data-driven analysis

International Fats Market

The market from a different perspective!

Felipe Hurtado

Senior Consultant

North American Renderers Association



NARA

✔ About the speaker



Experience

+10 YOY in the Agri-food & rendering industry in:

- Business Internationalization
- Exports of fats & meals
- Compliance
- Business intelligence
- M&A



NARA

Education



- Ms international businesses
- Cert. Starting a business
- Marketing specialist
- Industrial Engineer

UQÀM | Université du Québec à Montréal



Languages



Felipe Hurtado
Senior Consultant NARA
Founder & CEO AGM

AgriTech entrepreneur challenging the current way of doing business. Solid experience in the rendering industry, leading global sales, M&A, and internationalization processes in multinational companies in North and South America. CEO at AgriGlobal Market, former Director of International Trading at Sanimax.

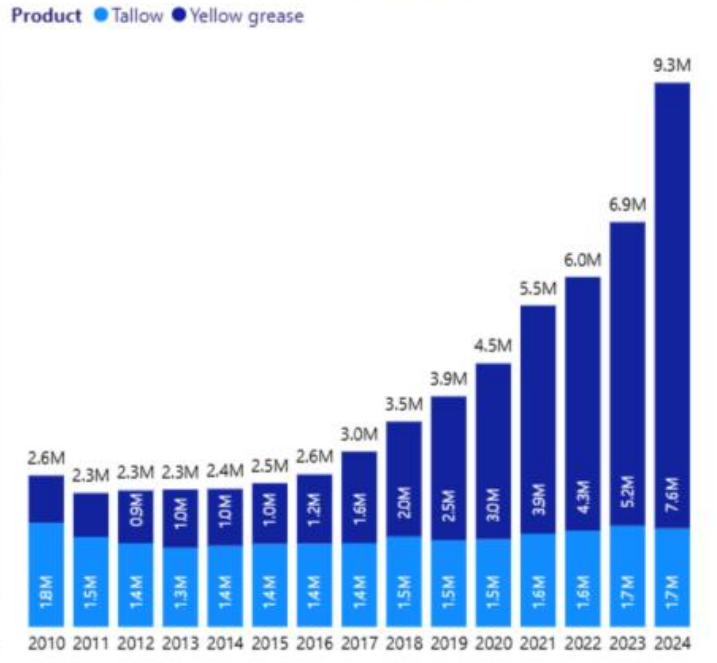


Country: All | Product: Multiple selections | Trade: Exports | Period (year): All | Year: All

Global Trade by country comparison (mt/year)



Timeline Global Trade by product (mt/year)



Global Trade

[Main page](#) |
 [Global trade detailed](#) |
 [Global Exports of fats](#) |
 [Global Exports of proteins](#) |
 [Global Import of fats](#) |
 [Global Imports of proteins](#)

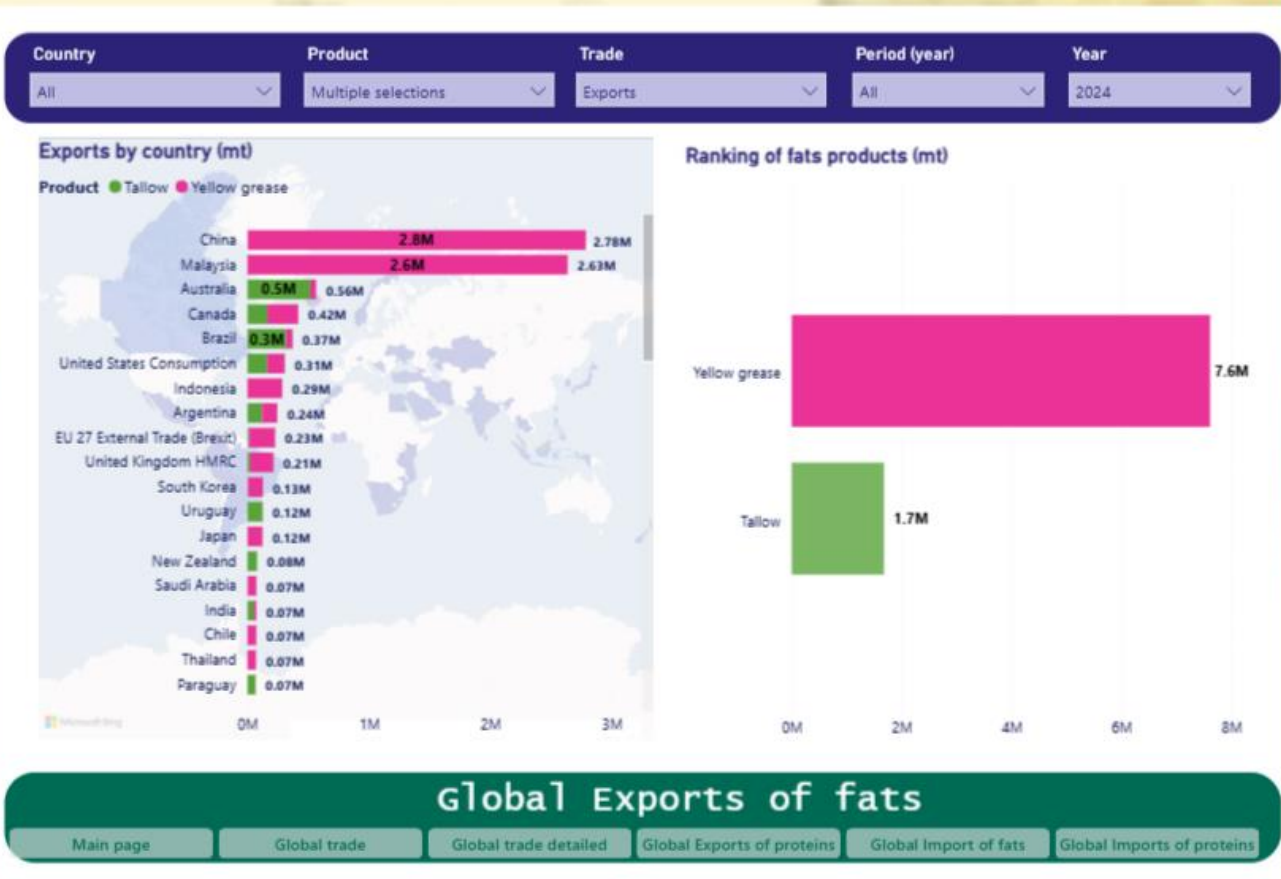


EVER WONDERED WHY IT'S CALLED THE FATS BOOM?

It is not a casualty, It has been driven by more than a factor...

Exports growth 2014-2024

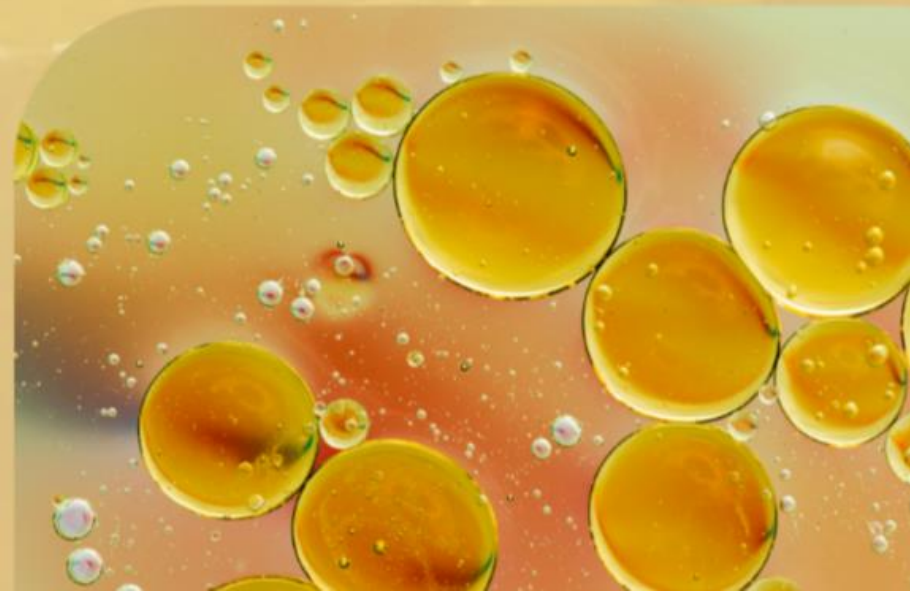
287.5%



Concerned about China? Don't worry, Malaysia is also in the game!

*Believe it or not, **Malaysia** has been a major player in the global export of yellow grease since 2016.*

*This silent competitor has been the **second-largest exporter of this product since 2018**, trailing only China, with nearly identical export values in 2024.*



Microsoft Power BI

< 4 of 7 >

57%



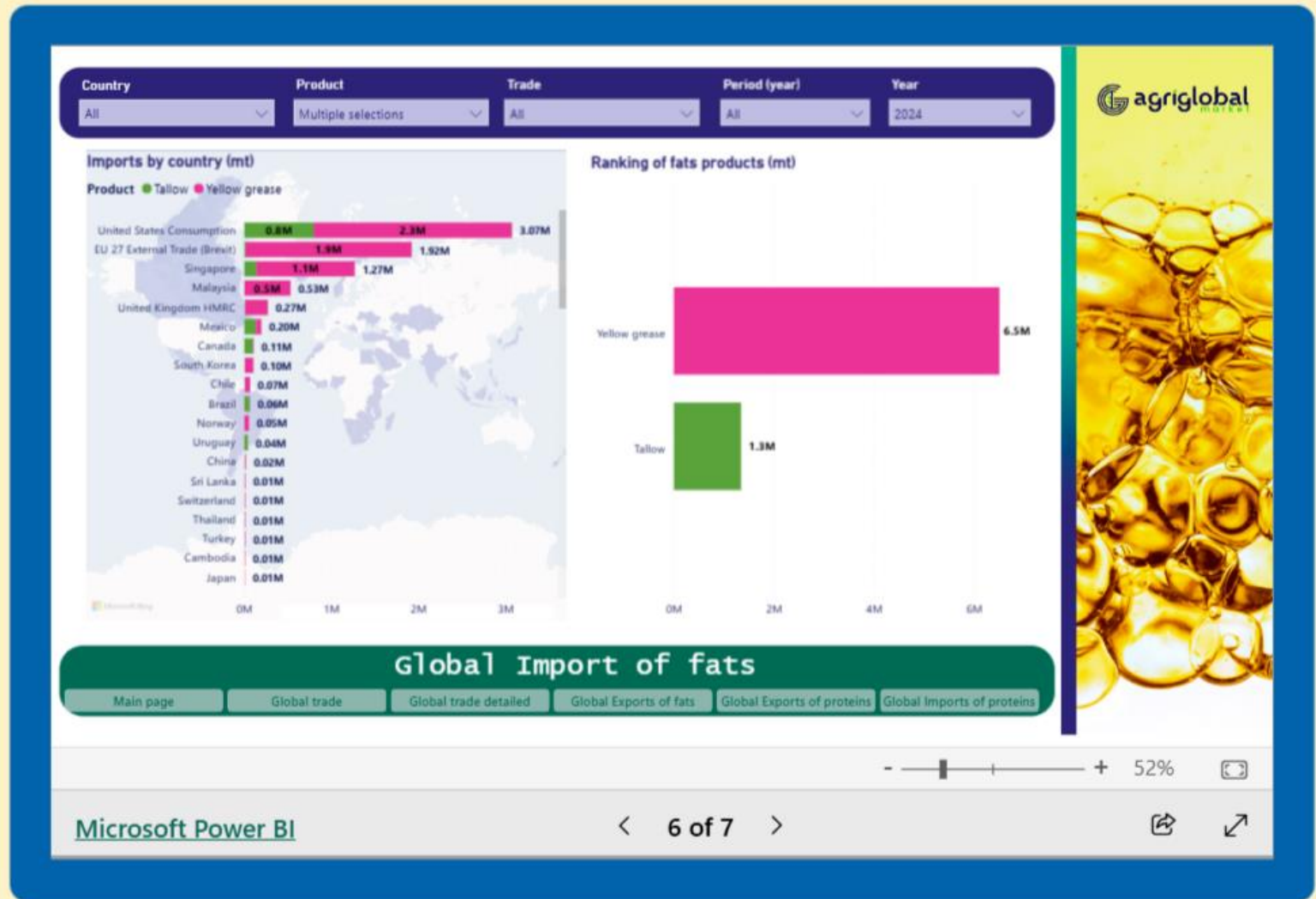
+2.78 M mt in 2024
Yellow grease



+2.6 M mt in 2024
Yellow grease

The US and the EU lead in imports, but Singapore is not far behind!

For nearly a decade, the EU led global fat imports. However, after the biodiesel and fats boom, **the US became the top destination for UCO and tallow producers in 2022**, with Singapore ranking in the top 3.



Source: Trade Data Monitor



What about the US market?

Despite experiencing a significant price decline in recent years, the **current prices offered by the U.S. market remain highly attractive** to suppliers from:

- China (mainly)
- Canada
- Brazil
- Australia
- Malaysia (on its way)

These competitive prices continue to drive strong export interest, reinforcing the U.S. as a key destination for global fat and oil suppliers.



Source: AgriGlobal Market

PRICES TODAY ARE BACK TO 2021 LEVELS



Prices in 2024 closed the year with similar numbers to those at the beginning of January 2024 for tallow and yellow grease.

Tallow: +2.07%
YG: +2.92% 2024

Tallow: -32.68%
YG: -41.06% 2023

Tallow: +3.42%
YG: +32.92% 2022

Source: Fastmarkets



What about today? Still in crisis?

Let's find the answer!

**SECURE YOUR \$45Z
TAX CREDIT NOW**



**TRICORD
CONSULTING**

Transtion 45Z



Bluetongue virus



DCO & SBO

Transition to 45Z

What does the transition to 45Z involve? ↗

Starting January 1, 2025, the **Clean Fuel Production Credit (45Z)** will replace other existing incentives, such as **45Q*** and **40B****, and will be based on the **carbon emissions reduction of the fuel produced.**

**45Q provides tax credits for carbon capture and storage.*

***40B offers tax incentives for biodiesel and renewable diesel production.*

****The **REET (Greenhouse gases, Regulated Emissions, and Energy use in Technologies) Model** is a life-cycle analysis (LCA). It is used to assess the environmental impact of fuels and energy systems by calculating their carbon intensity (CI) and overall sustainability.*

Impact on the rendering and biodiesel industry ↗

- Producers of biodiesel, renewable diesel, and SAF (Sustainable Aviation Fuel) will need to **calculate their carbon reduction based on the GREET methodology***.**
- **The carbon footprint of feedstocks will be crucial** in determining eligibility and the amount of the incentive.
- **Rendering by-products, such as tallow and used cooking oils,** could benefit if a positive environmental impact is demonstrated.

CLEAN FUEL
PRODUCTION CREDIT
45Z

DCO & SBO



Distillers Corn Oil (DCO)

DCO is a by-product of ethanol production, extracted from the corn used in distilleries. It has become a valuable feedstock for several industries.

As demand for low-carbon fuels grows, DCO has gained importance in global markets, especially in the U.S. biofuel industry under the **Renewable Fuel Standard (RFS)**.

Soybean Oil Futures (SBO)

SBO Futures represent **contracts for soybean oil** traded on **commodity exchanges**, such as the Chicago Board of Trade (CBOT).

Since soybean oil is a primary feedstock for biodiesel production, **its price is highly influenced by renewable energy policies**, global supply & demand, and weather conditions affecting soybean crops.

- DCO, SBO, and animal fats are all traded in the **fats & oils complex**, meaning **they move in relation to each other**.
- The **Renewable Fuel Standard (RFS)** and **45Z incentives** favor **low-carbon-intensity feedstocks** like **DCO and SBO**.
- If DCO qualifies for higher **RIN (Renewable Identification Number) credits**, refiners prefer DCO over tallow → animal fat demand drops.

Bluetongue virus

What is the Bluetongue Virus?

The **Bluetongue virus (BTV)** is a **vector-borne disease** that affects ruminants such as sheep, cattle, and goats. It is transmitted by **Culicoides biting midges** and causes **fever, swelling, respiratory distress, and even death in severe cases**.

While sheep are the most vulnerable species, cattle serve as major virus reservoirs, contributing to the disease's spread.

Economic and Agricultural Impact

• Livestock Trade Disruptions

- Countries often impose movement restrictions and trade bans on infected regions.
- This limits exports of livestock, meat, and animal by-products (such as hides and fats).

• Reduced Meat & Dairy Production

- Infected animals lose weight and productivity, leading to financial losses for farmers.
- High mortality rates in sheep significantly impact sheep farming industries.

• Impact on the Animal Fats & Biodiesel Industry

- Slaughterhouse slowdowns due to livestock movement restrictions reduce the supply of tallow and other animal fats.
- Limited fat availability can drive higher prices for biofuel feedstocks.

1

Because of the SBO

- The fluctuation in SBO prices is driving higher demand for alternative feedstocks like BFT and DCO, pushing their prices up as biofuel producers adjust sourcing strategies.

2

Because of the transition 45Z

- The **animal fats and oils market** is not reactive yet against the news related to **Section 45Z incentives**.
- This suggests that market participants are not reacting with volatility to the regulatory update, possibly because expectations were already factored in or because the impact on demand and pricing is still uncertain.

3

Because of bluetongue virus

- **Price may drop in Europe** because of a potential rise in the supply of category 1 fats in Europe is expected following recent reports of **bluetongue virus** cases in Germany and the UK.
- This may cause **possible meat export restrictions**, potentially reducing the availability of raw materials for rendering.

4

Because of prices

- Even with lower prices compared to previous years, the current offers from U.S. buyers remain **profitable for yellow grease exporters, primarily from China and for Malaysia recently**. This is also becoming attractive for **new exporters looking to enter the U.S. market, such as Malaysia**.

What do the data projections show us for the future?

REAM

JOINING THE AMERICA WITH THE WORLD
2025

&

INTERNATIONAL RENDERING CONFERENCE

September 2-4 2025

Hard Rock
HOTEL

Guadalajara



The 3rd edition of the Reunion of the Americas

The convention for the industries of:

- RENDERING
- FEED & PET FOOD
- AQUA
- BIOFUELS
- FATS, UCO & OLEOCHEMICALS
- MEAT PRODUCTION & LIVESTOCKS

Booths & Tickets
ON SALE NOW!

RENDERINGAMERICA.COM
RENDIMIENTO.COM.MX



ORGANIZED BY:



CO-ORGANIZED BY:





NORTH AMERICAN RENDERERS ASSOCIATION
Reclaiming Resources, Sustainably

**We are focused on doing
things differently!**

Thank You!

