

UK Trade Defence - USA biodiesel subsidised imports

FABRA UK previously registered an interest in the UK anti-subsidy case for Biodiesel and subsequently filled out the contributor questionnaire.

An Investigator from the Trade Remedies Investigations Directorate at the Department for International Trade has asked FABRA UK for some further information.

As part of their investigation, TRID conduct an Economic Interest Test, which looks at, amongst other economic factors, the impact of biodiesel measures being removed on upstream and downstream industries. FABRA represents a number of companies that fit into the upstream section of the supply chain of biodiesel.

FABRA UK are providing some further information regarding the tallow industry in the UK and its relationship with the biodiesel industry.

FABRA UK – EIT questions

Supply Chain Diagram

Are there any nodes that we should add to represent industries not currently captured?

Are there any companies or industry bodies that could additionally be included?

- Immediate upstream industries that supply the necessary inputs

FABRA UK represents most of the UK animal by-products processors who manufacture tallow. Our list of members can be found on our [website](#).

One major tallow producer who is not a FABRA UK member is A Hughes & Son.

We suggest that Olleco are moved into this section of the diagram as they are collectors and blenders of used cooking oil (UCO). Their suppliers of UCO such as McDonalds may also have an interest in this case study as any unfair competition from US biodiesel could affect the prices offered for UCO.

Other trade bodies that may have an interest in this case study are:

[NNFCC](#)

[ADBA](#)

- Biodiesel production and blending

We would suggest that the oil companies should be in the blenders section along with their trade association UK PIA.

Upstream production and FABRA's knowledge of upstream industries

Please tell us about how different upstream entities depend on links to the production and blending of biodiesel. We are especially keen on any data that FABRA can provide that covers economic factors including employment, output value & volume, and geographical location.

- How much does the tallow industry depend on biodiesel?

Around 75-80% of the UK Category 1 tallow goes to Argent Energy - UK biodiesel manufacturer.

Around 75-80% of the UK Category 3 tallow goes to the EU biodiesel / renewable fuel manufacturers.

Tallow is manufactured from animal by-products (ABPs) which are sourced from the UK meat industry and fallen livestock. If our members have less outlets for their tallow or lower profit margins due to unfair competition, the knock-on effects are that they must reduce the prices that they can offer for the ABPs. This has an impact on the whole meat supply chain and can ultimately impact on the farmer and the prices they get for their livestock.

The use of category 1 tallow as a raw material for biodiesel is a renewable fuel so attracts Renewable Transport Fuel Certificates (RTFCs) subsidy. Fuels derived from Category 3 tallow is not classed as a renewable fuel as Cat 3 tallow have other markets. Purposefully downgrading Cat 3 tallow to Cat 1 to qualify for RTFCs is illegal.

- What are total UK sales of the tallow and how much is purchased by the UK biodiesel industry?

UK Category 1 tallow production is around xxxxx tonnes per annum.

Approximately three quarters of this is sold to Argent Energy in the UK. Typical prices, subject to market fluctuations are around £xxx/T so UK Category 1 tallow sales are approximately £xxmillion.

Note that Argent are also supplied tallow from the Republic of Ireland and have manufacturing facilities on continental Europe as well as in the UK.

We understand that the UK Biodiesel sector has capacity to take >xxxxTPA of tallow potentially. Argent Energy and Greenergy are the UK biodiesel manufacturing options. Argent currently take tallow but Greenergy mostly process UCO and are not approved for ABP sourced fats at the moment.

UK Category 3 tallow production is around xxxxxx tonnes per annum.

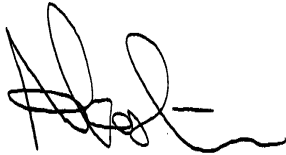
Approximately three quarters of this is sold to the EU biodiesel sector. Typical prices, subject to market fluctuations and different tallow by animal species are around £xxx/T so UK Category 3 tallow sales are approximately £xxmillion.

- Which entities are affected (in terms of FABRA's members and non-members)?

All of the UK manufacturers of tallow are affected.


Alternative markets for category 3 tallow are pet food and oleochemicals.


Category 1 tallow can be incinerated or used as a for combustion but is currently uneconomical to burn as a fuel compared to gas.

A handwritten signature in black ink, appearing to read 'Adrian Kesterson', with a stylized, cursive script.

Adrian Kesterson

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