

# ANIMAL FATS OUTLOOK BIG DEMAND ON THE HORIZON



Jacobsen Webinar  
September 2020  
Ryan Standard



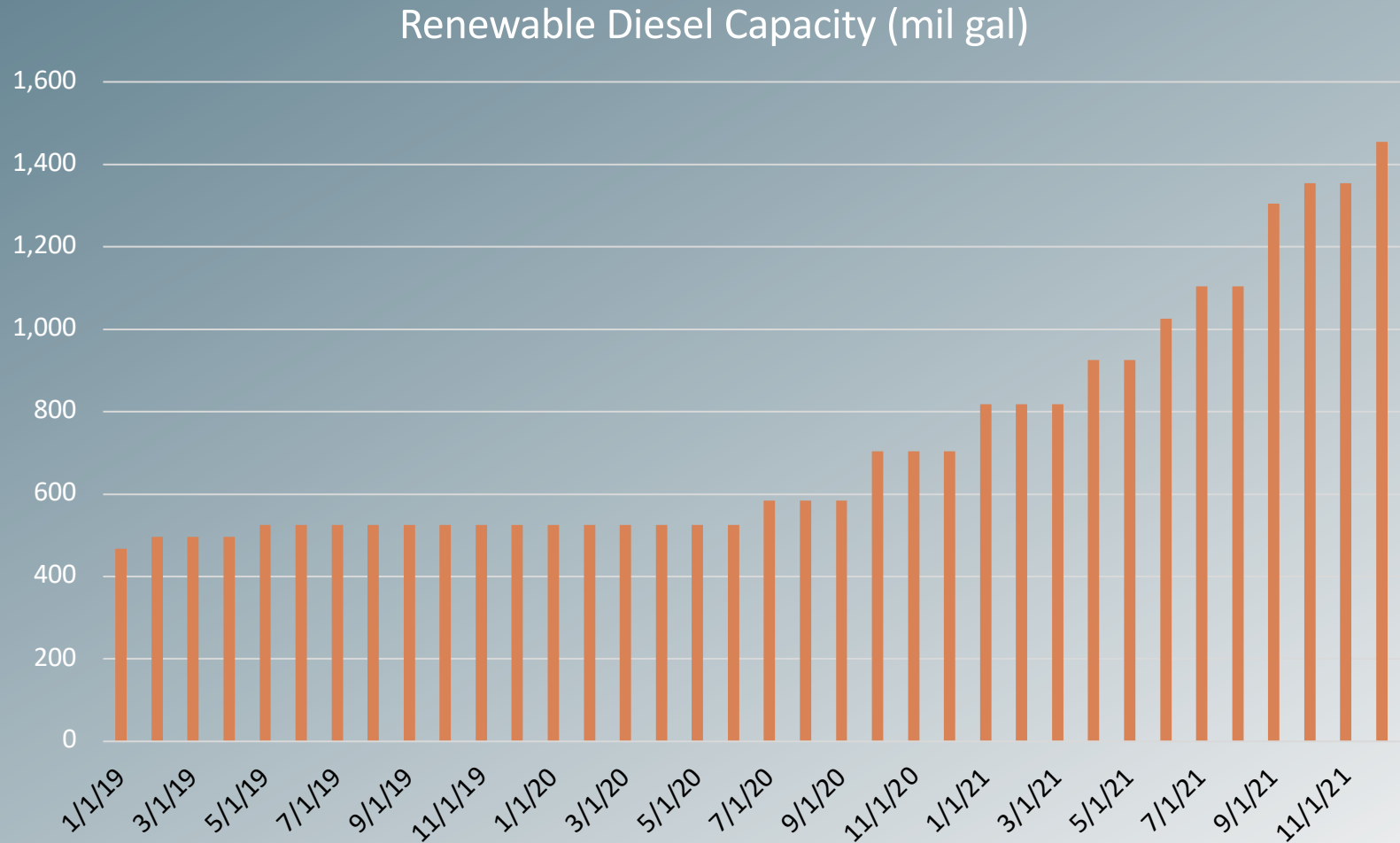


# RENEWABLE DIESEL SET FOR RAPID GROWTH

212% growth from Jan 2019 to Dec 2021

Feedstock needs expected to grow from ~ 5 billion pounds per year in 2020 to ~ 10 billion pounds in 2021.

Current domestic Animal Fats, UCO and DCO market size is ~16.3 billion pounds.

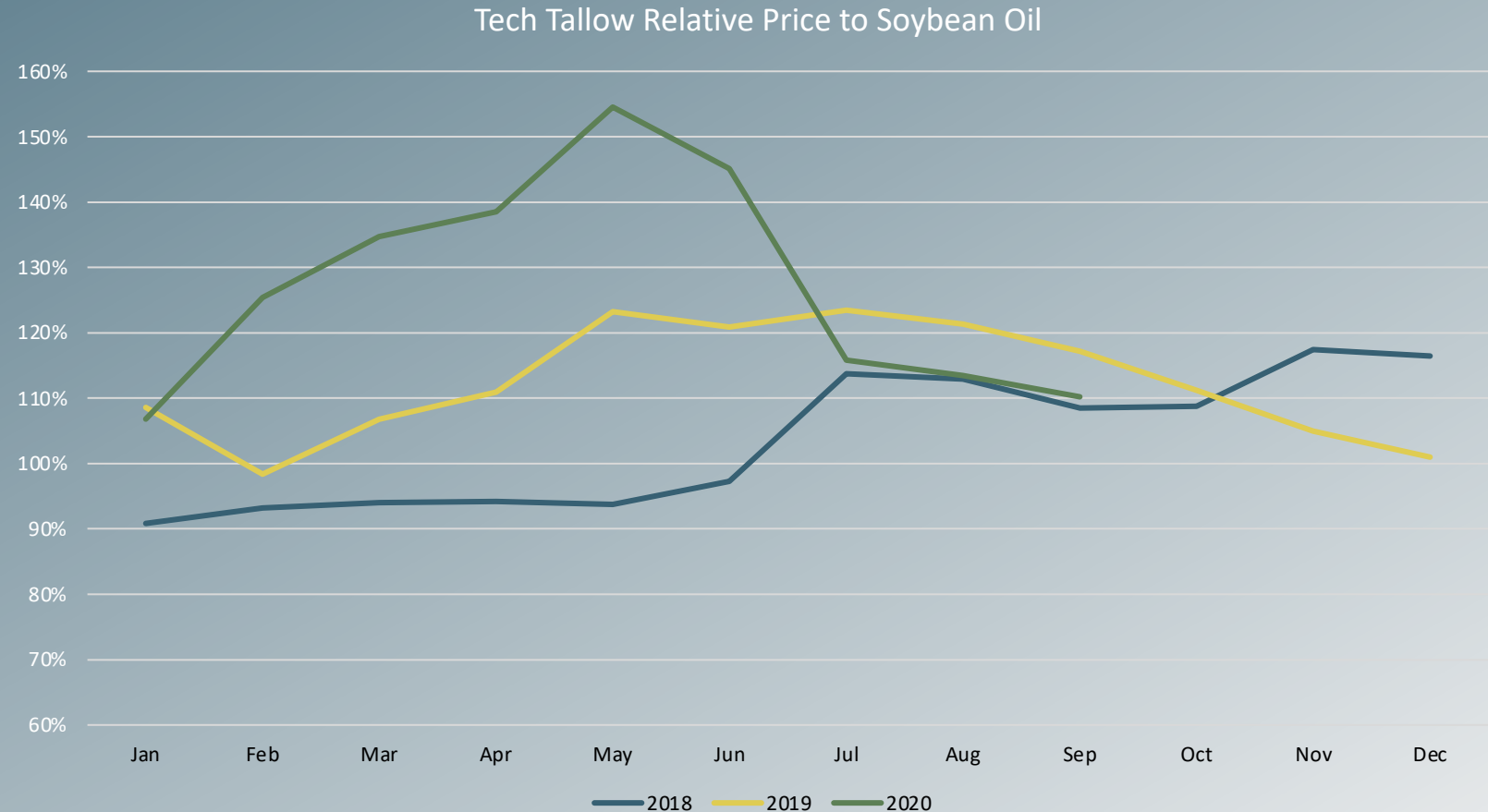


Source: Jacobsen research. Annual capacity is shown on a monthly basis.

# EFFECT ON PRICE ALREADY PRESENT

Relative price to soybean oil higher year on year

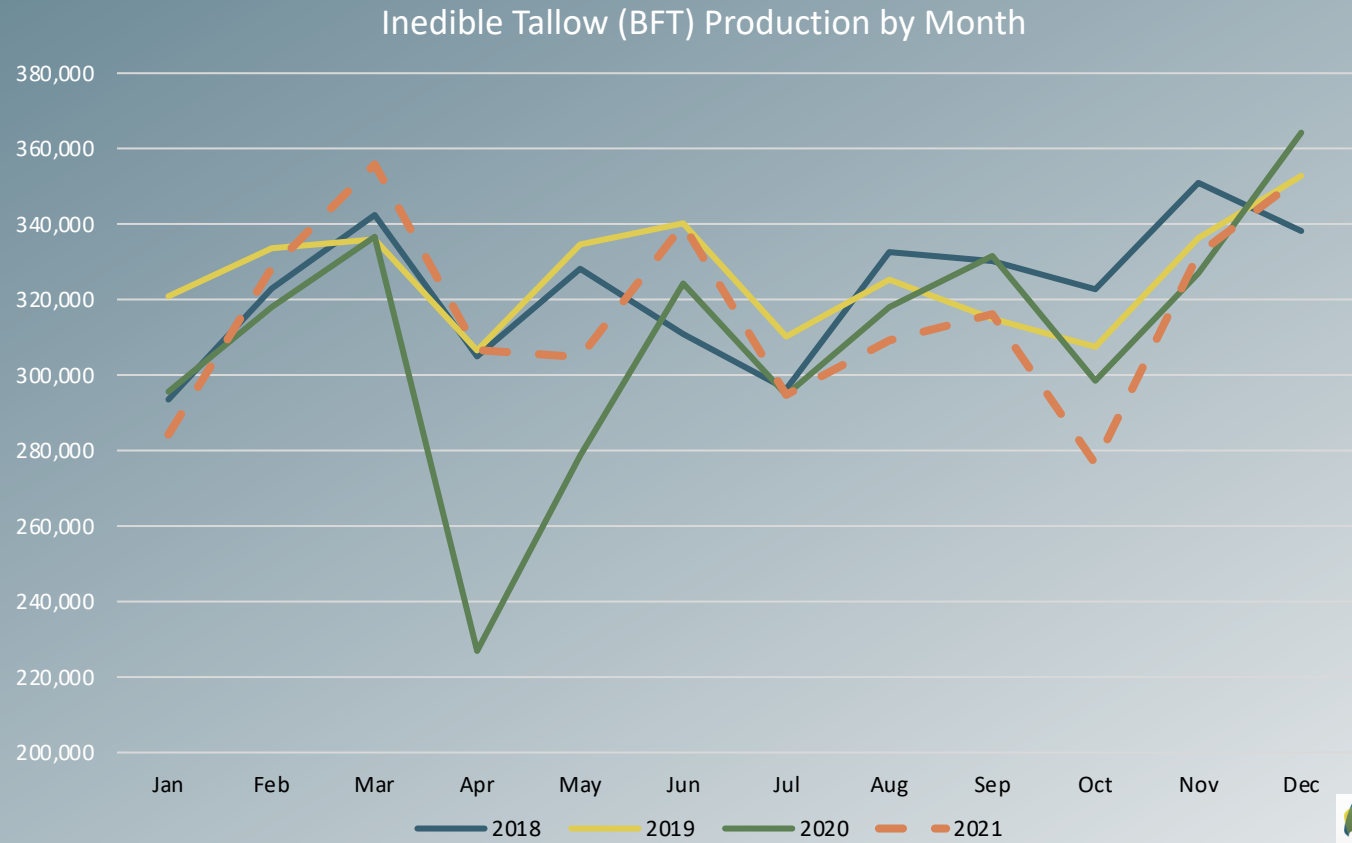
Cash soybean oil prices driving the market at present



Source: Jacobsen research applied to USDA cattle slaughter and Jacobsen slaughter forecast

# DEMAND IS DOUBLING, IS SUPPLY?

Total tallow supply up less than 1 percent in 2021

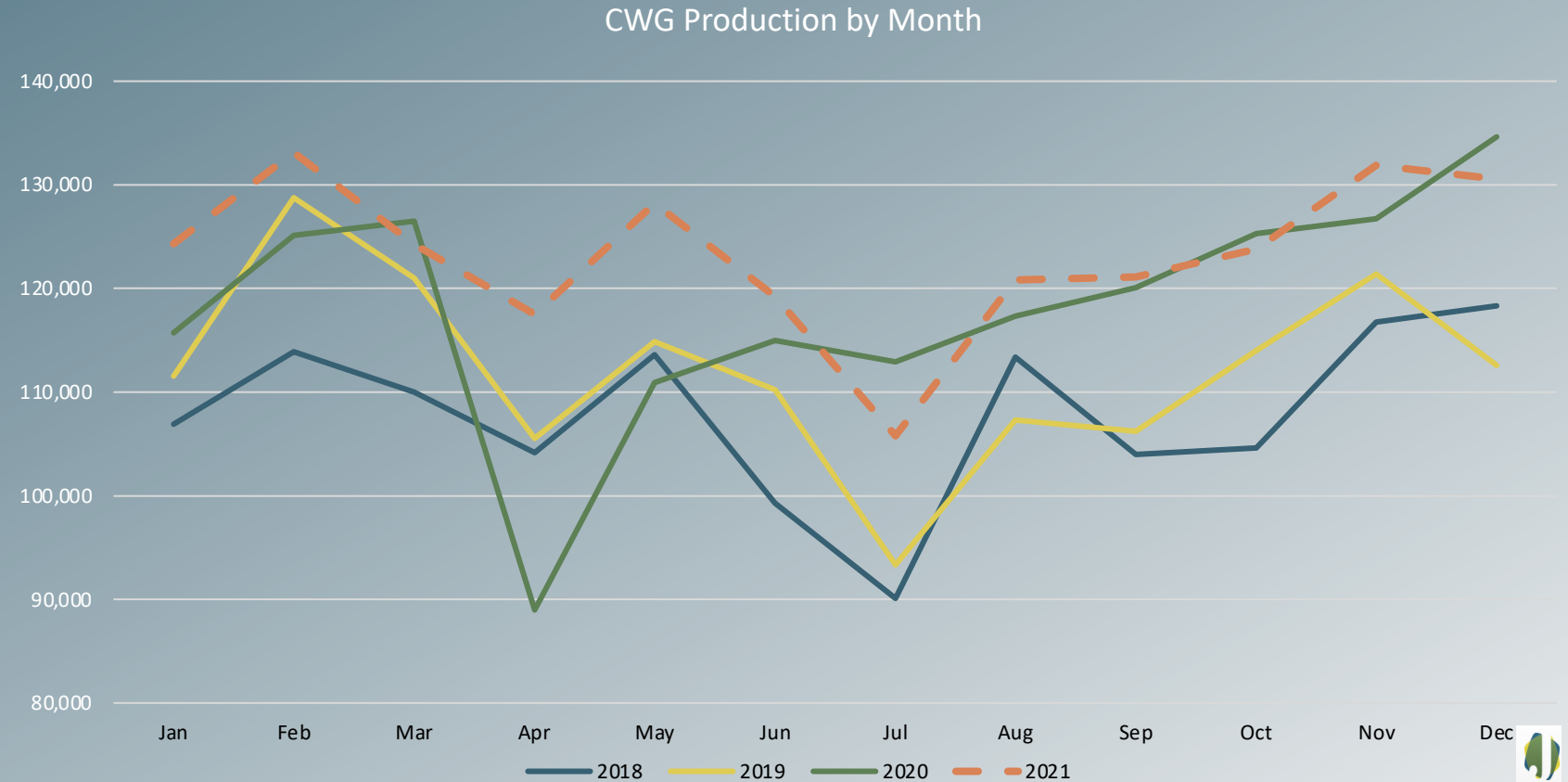


Source: Jacobsen research applied to USDA cattle slaughter and Jacobsen slaughter forecast

# CHOICE WHITE GREASE PRODUCTION FORECAST HIGHER

CWG forecast 4.3 higher in 2021

Expectation for continued big demand for pork in US market & China

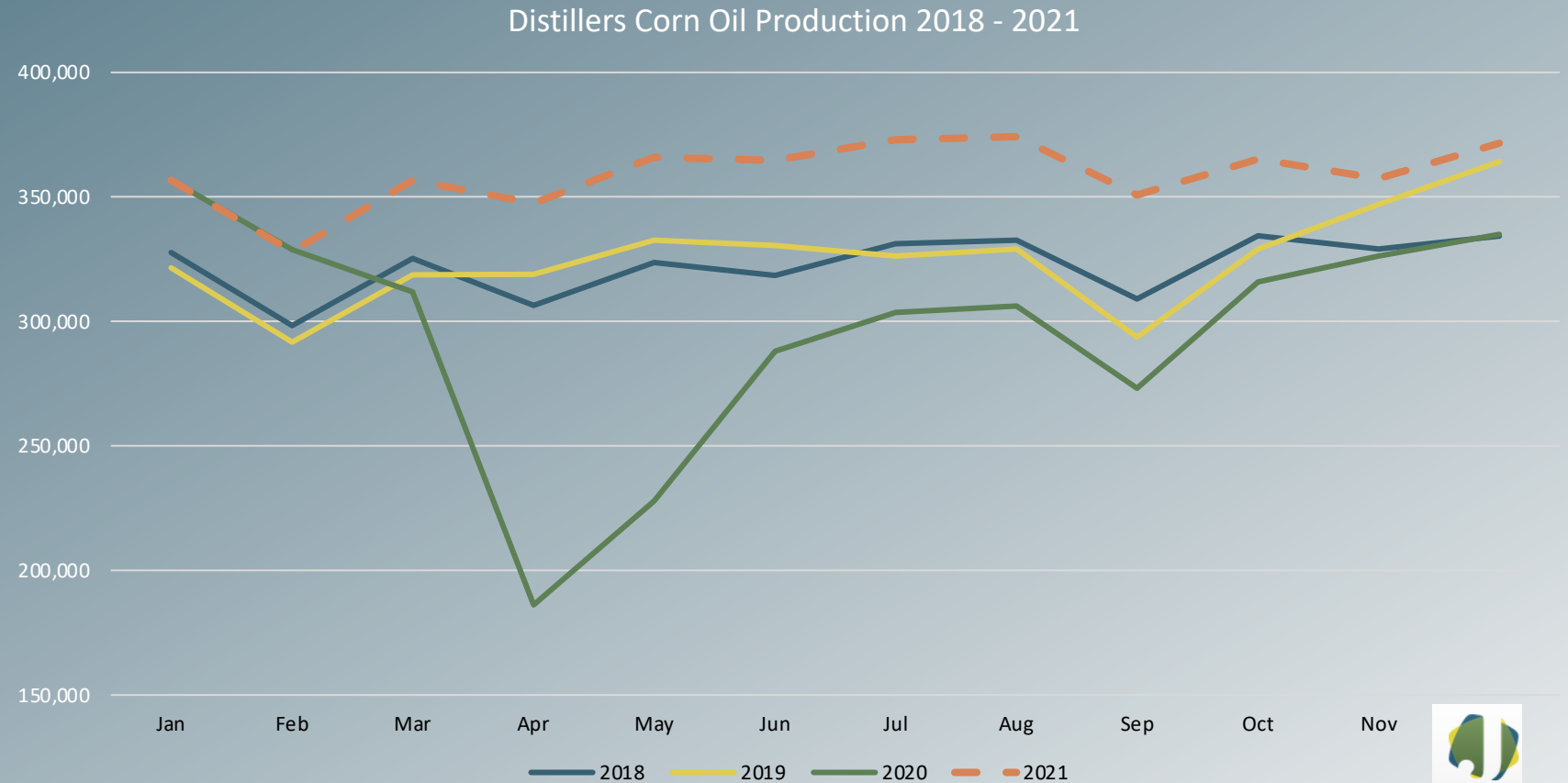


Source: Jacobsen research applied to USDA cattle slaughter and Jacobsen slaughter forecast

# DCO PRODUCTION HIGHER

DCO production  
forecast up 16  
percent

Assumes a more  
normal  
production  
schedule with  
possibility of  
additional  
production tied  
to E15

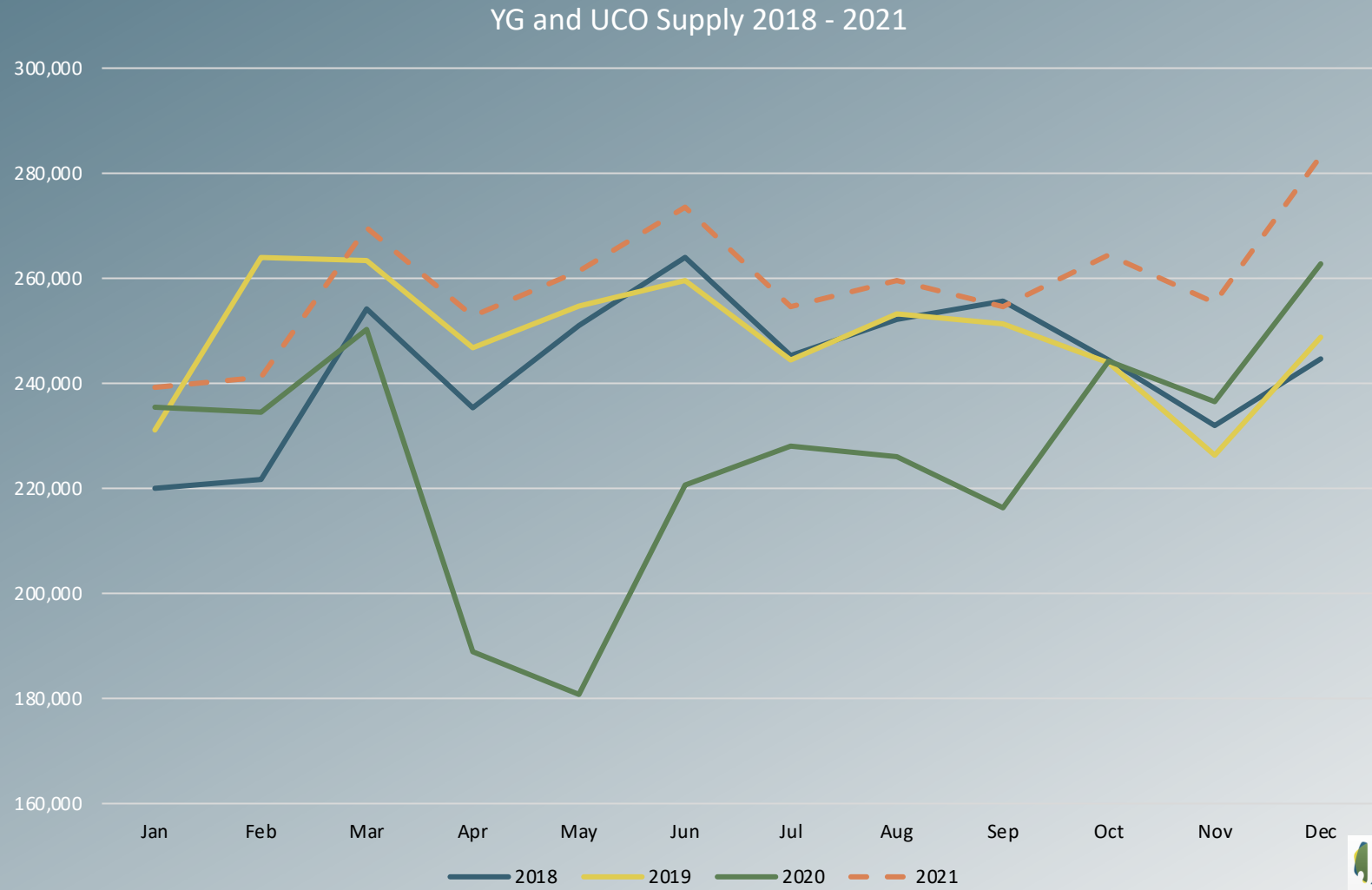


Source: Jacobsen research applied to USDA cattle slaughter and Jacobsen slaughter forecast

# YG & UCO SUPPLY HIGHER

UCO & YG  
(combined) up 14  
percent in 2021

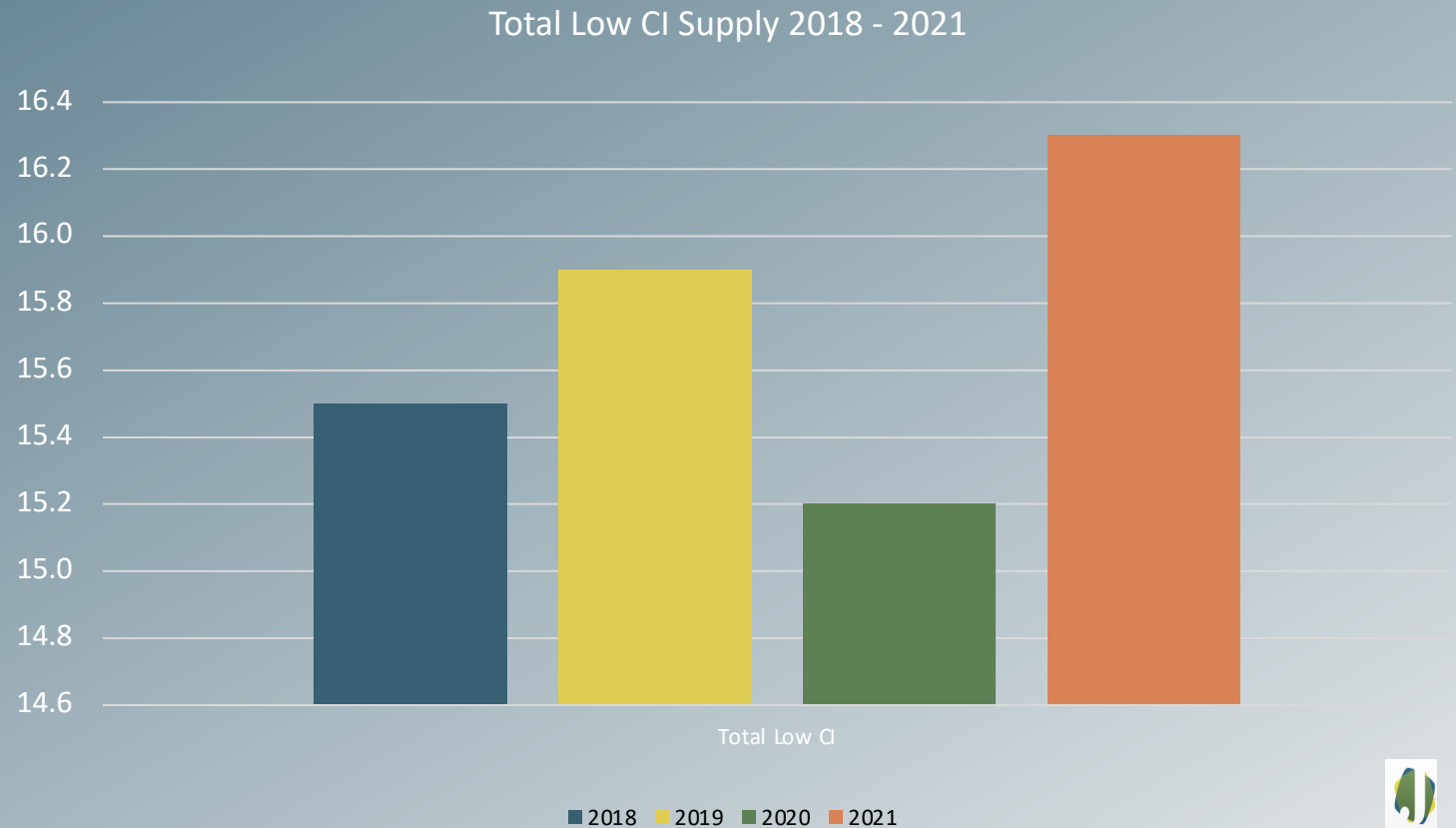
Assumes a more  
normal restaurant  
activity pattern



Source: Jacobsen research applied to USDA cattle slaughter and Jacobsen slaughter forecast

Overall supply increase  
of 900 million pounds  
expected in 2021

Up 7 percent from  
2020



Source: Jacobsen research applied to USDA cattle slaughter and Jacobsen slaughter forecast

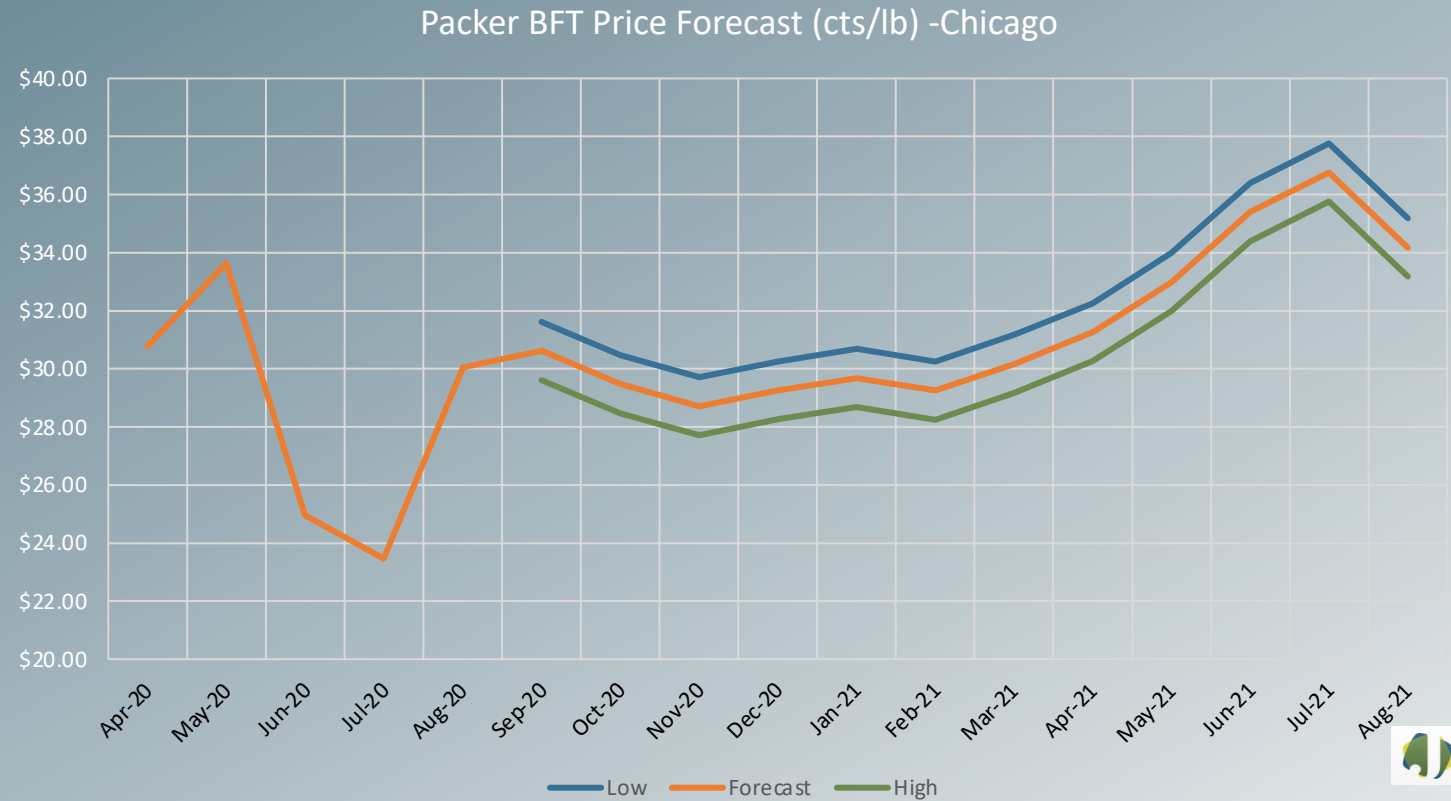


# PRICE OUTLOOK

Prices forecast to peak at 37 cents in July

Support from higher soybean oil prices

Palm oil forecast lower for second half of 2021



Source: Jacobsen price forecast

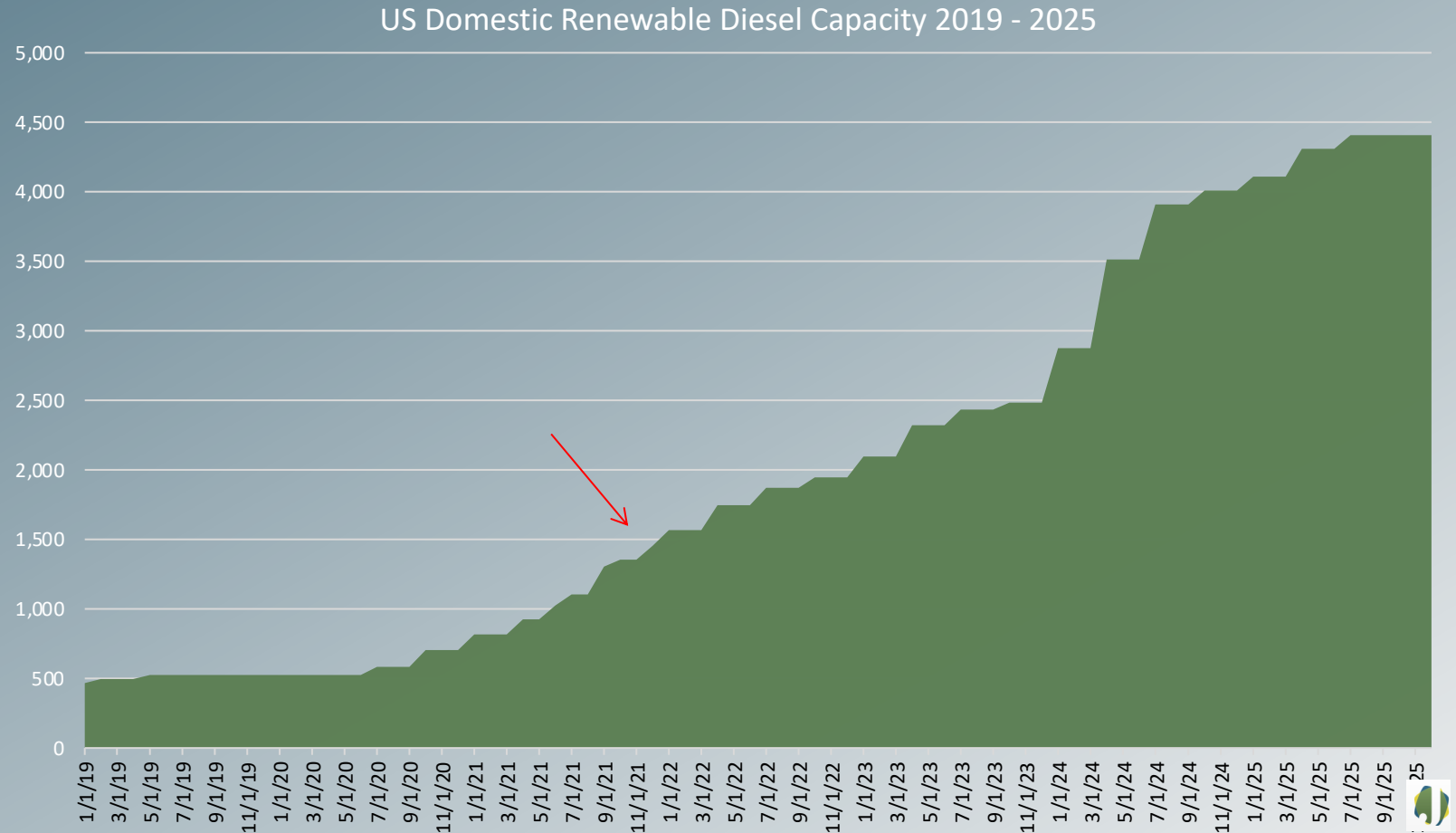
# GROWTH THROUGH 2025

740% growth from Jan 2020 to Dec 2025

Feedstock needs expected to grow from ~ 6 billion pounds per year in 2020 to ~ 40 billion pounds in 2025.

Current domestic Animal Fats, UCO and DCO market size is ~16.3 billion pounds.

Global Low CI Supply ~ 34 billion pounds



Source: Jacobsen research. Annual capacity is shown on a monthly basis.

[Click here to visit the Renewable Fuels Watch Section for More Information](#)

