

Rising Tide: What's Ahead in the FOG Markets





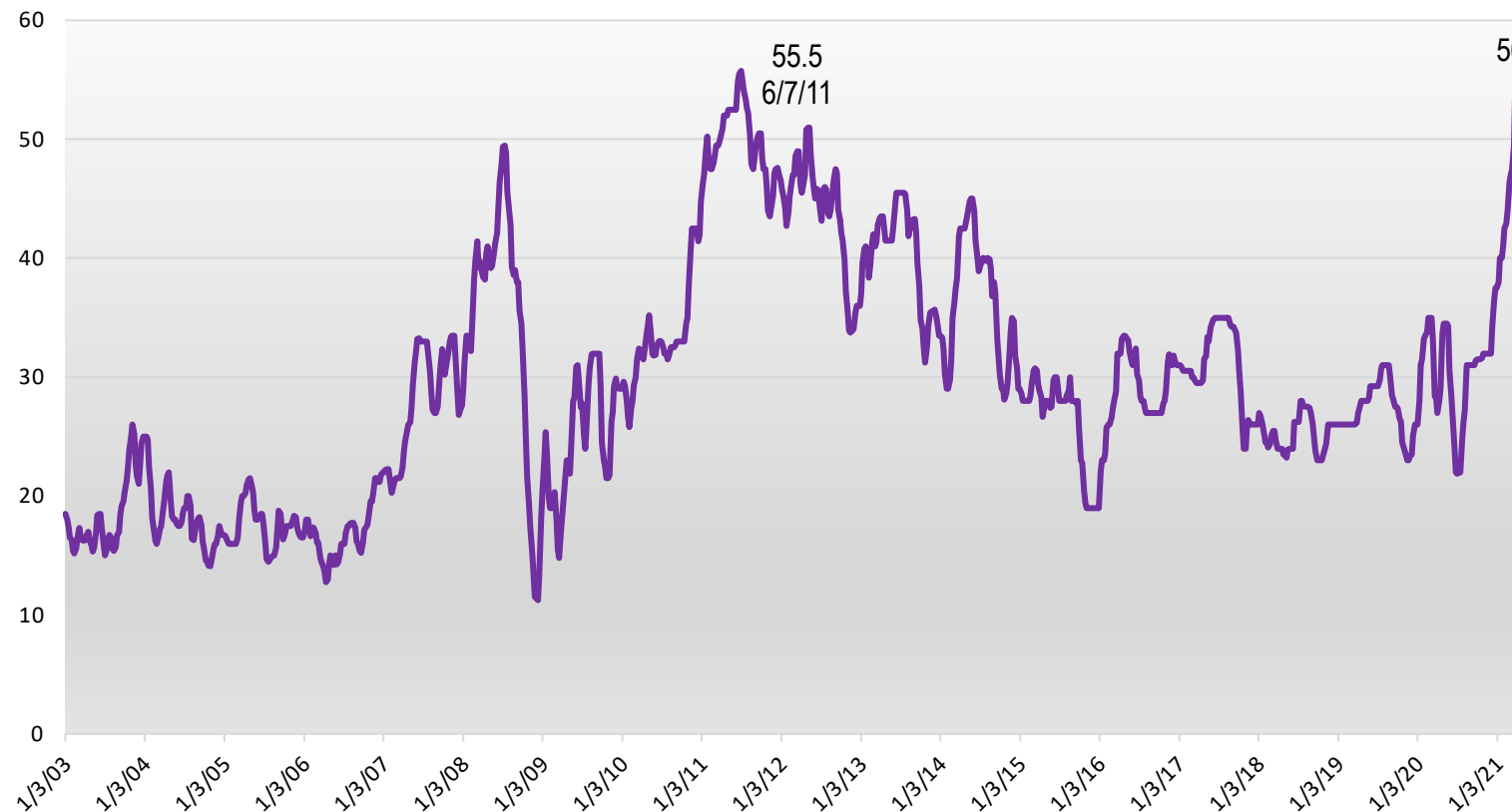
Chicago Packer
BFT Hit Record
High Weekly
Average

Choice White
Grease, Poultry
Fat and Used
Cooking Oil Near
or Above All-Time
Highs

UNCHARTERED TERRITORY



Chicago Packer BFT 2003 - 2020 YTD

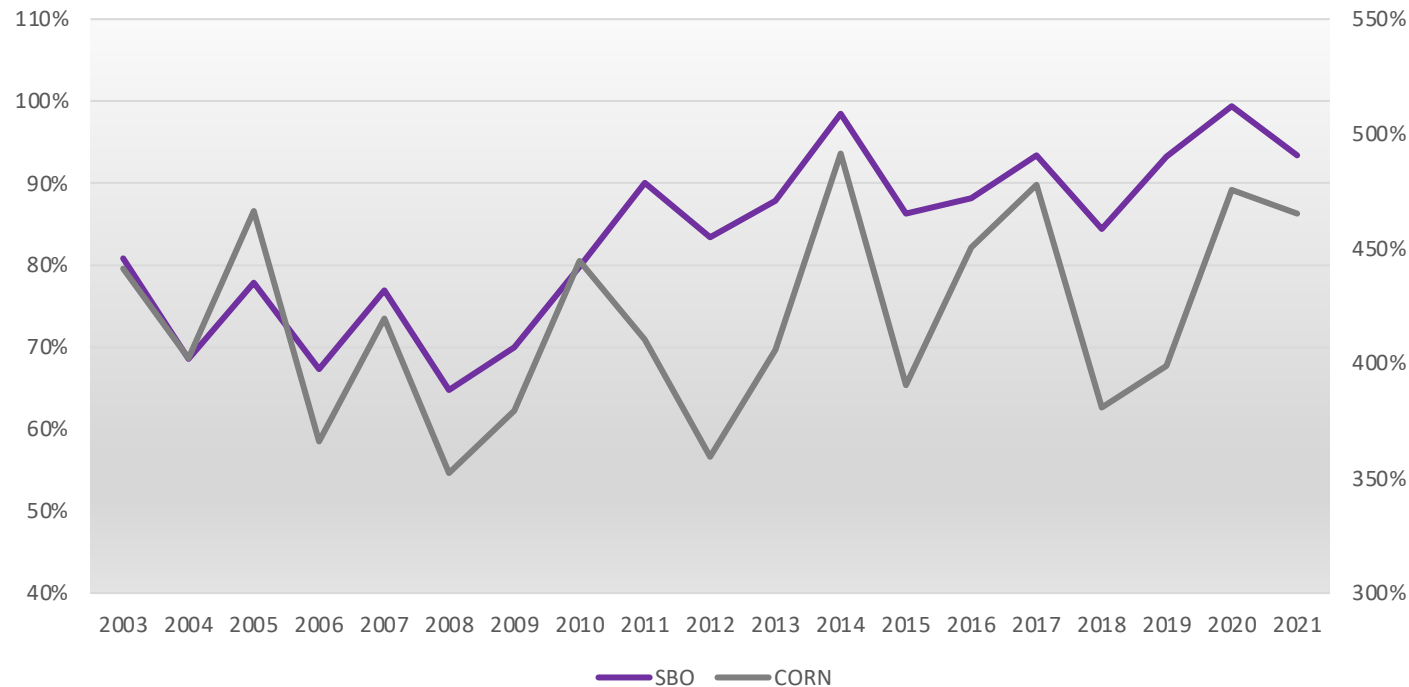


Source: Jacobsen

CO-PRODUCTS ARE MORE VALUABLE



Packer BFT Relative Price to Corn and SBO 2003 - 2021 YTD



Source: Jacobsen & CME

92%

2016 – 2020 RELATIVE PRICE TO SOYBEAN OIL. UP FROM 2011 – 2015 AVERAGE OF 89% & 2005 – 2010 AVERAGE OF 73%

442%

2016 – 2020 RELATIVE PRICE TO CORN. UP FROM 2011 – 2015 AVERAGE OF 412% & 2005 – 2010 AVERAGE OF 405%

FOGs at or Above 2008 & 2011 Peaks

Notable Difference is
Energy Prices

Credit Prices Hit Record
Highs

Lower CI In LCFS Means
More Gallons

FOG PRICES AT OR NEAR RECORD HIGHS



Source: Jacobsen & CME

SUMMER OUTLOOK - CAN THESE PRICES BE SUSTAINED?



Continued Run:

Prices have upside relative to SBO, especially cash SBO

Recovery mode

Supply is expected to be tighter

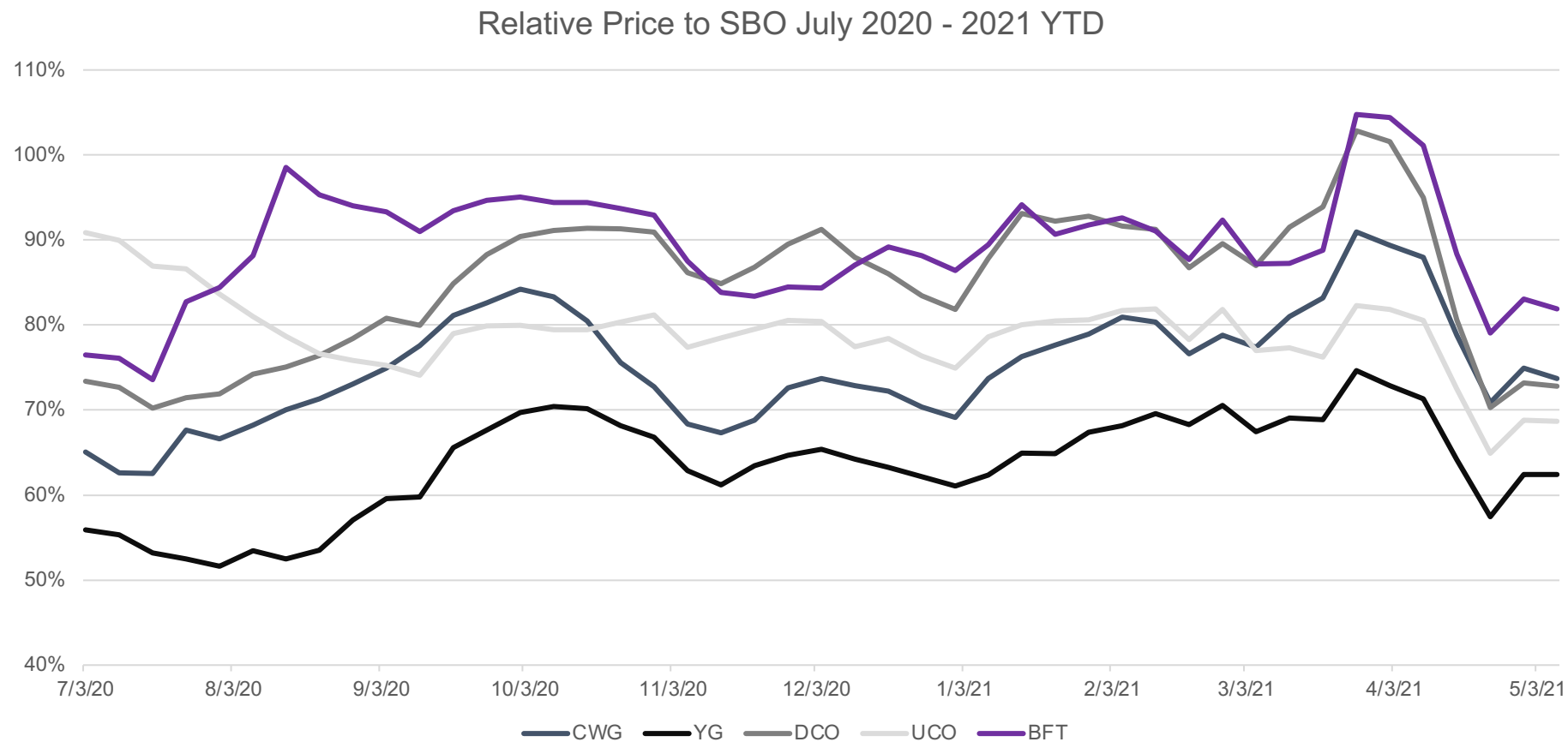
Put on the Brakes:

Downtimes expected at a few major demand points

Feed demand

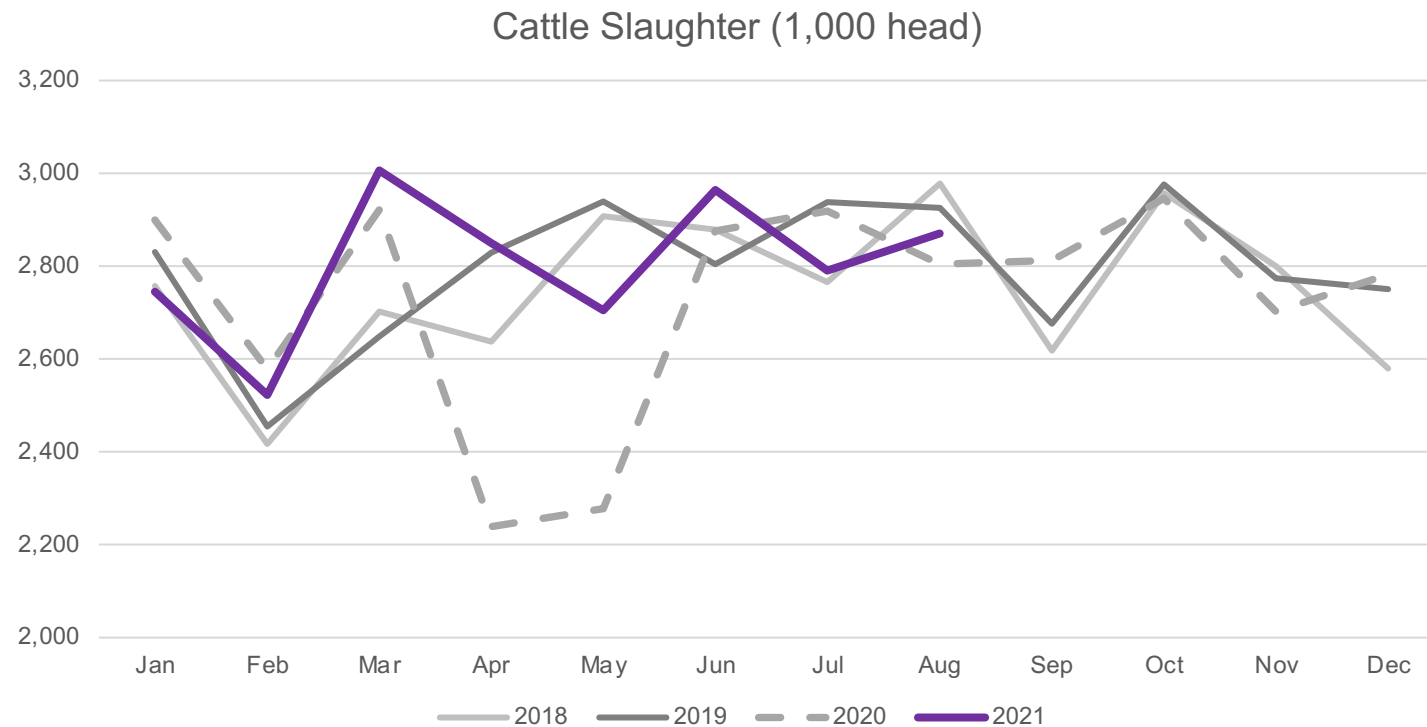
Credit prices and fuel sales

RELATIVE PRICES TO SOYBEAN OIL



Source: Jacobsen & CME

CATTLE HARVEST



Source: USDA & Jacobsen Forecasts

- 1%

MAY – AUGUST 2021
SLAUGHTER FORECAST 1%
LOWER THAN 2017 – 2019
AVERAGE

1.8%

MAY – AUGUST 2021
SLAUGHTER
FORECAST OVER JAN
- APRIL



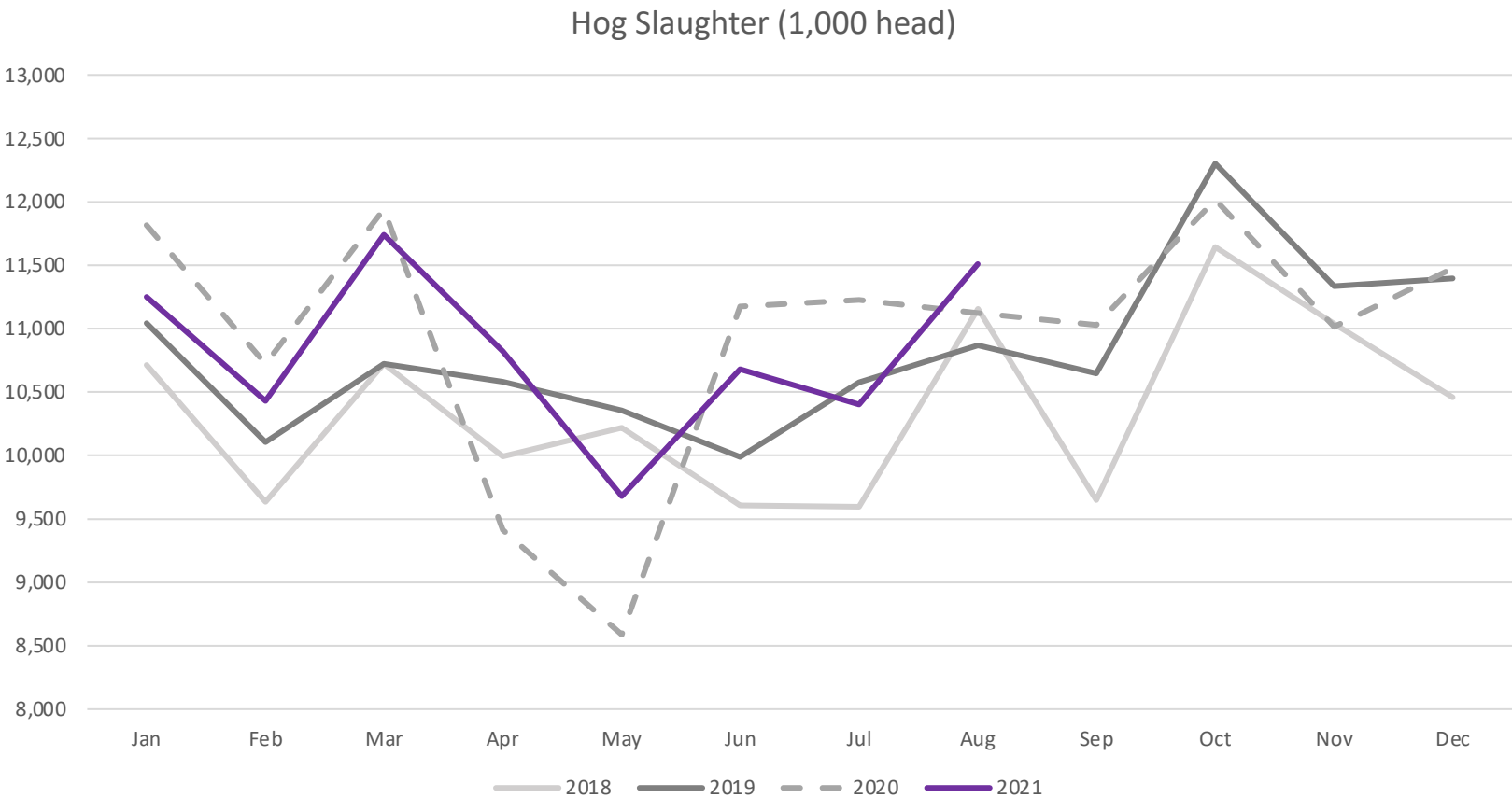
HOG HARVEST

2.7%

OVER 2018-2019 AVG

-4.4%

MAY - AUG RELATIVE
TO JAN- APR



Source: USDA & Jacobsen Forecasts

DISTILLER'S CORN OIL & USED COOKING OIL



Restart of some major plants will increase nearby supply

Cheaper corn helps pave way for increased summer production

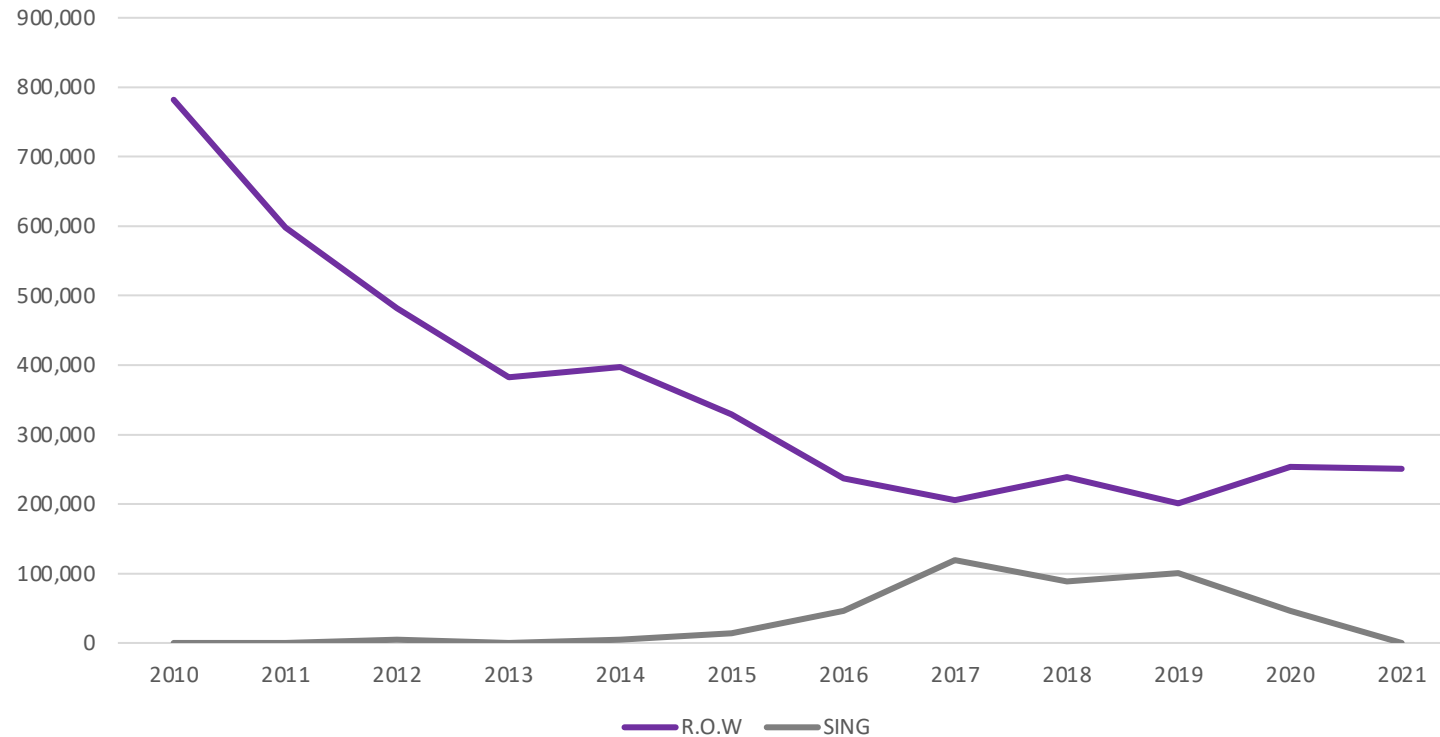
Used cooking oil (UCO) supplies estimated below 2019

High soybean oil prices affecting turnover?

EXPORTS& DOMESTIC DEMAND



Inedible Tallow Exports



Source: USDA FAS

Shipping Issues Persist

More Imported Volume Into US

Watch the palm stearin market

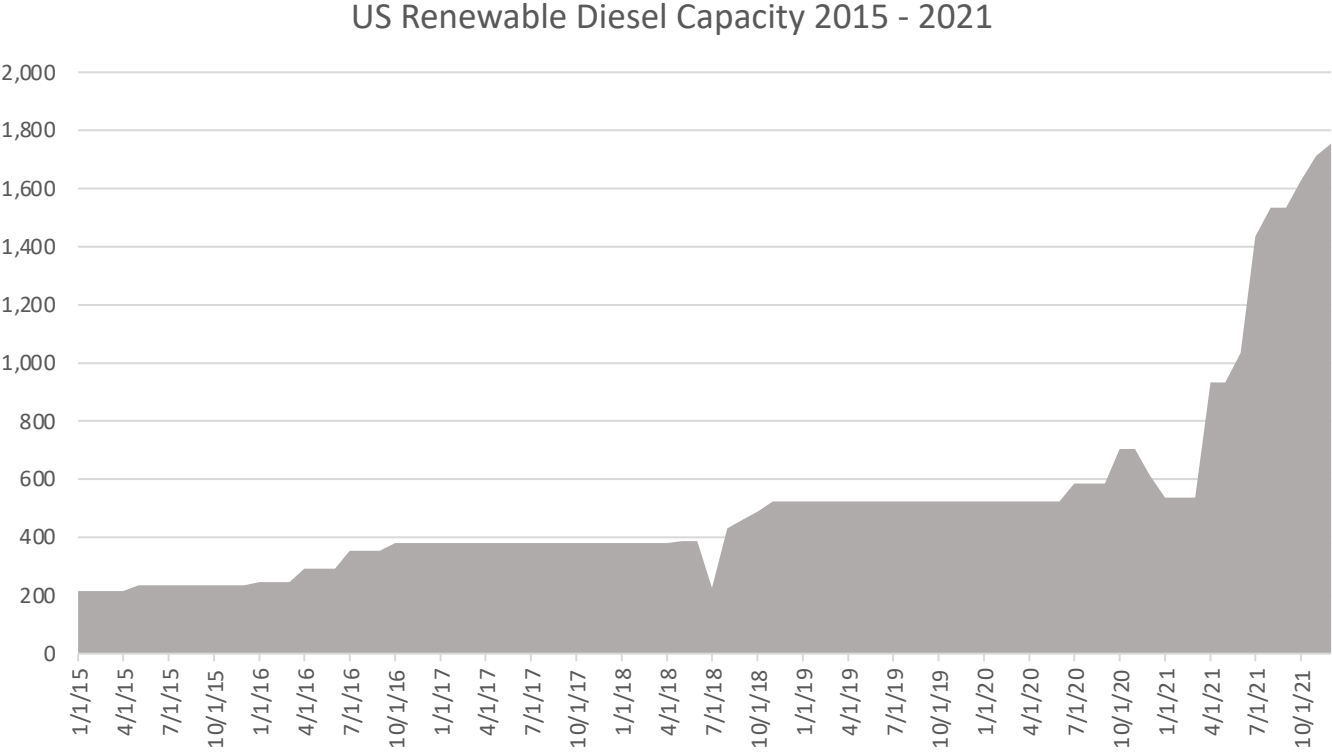
UCO exports remain red hot

Higher prices for UCO – CI & Competition

Economic Recovery in Full Swing

Feed, Volatility and Wide Spreads

RENEWABLE DIESEL CAPACITY



Source: Jacobsen Research

373%

GROWTH IN CAPACITY
FROM JAN 2021 – JAN 2022

**18
BILLION**

POUNDS OF FEEDSTOCK TO
SATISFY ANNUAL DEMAND
CAPACITY TO START 2011



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