

January 2026

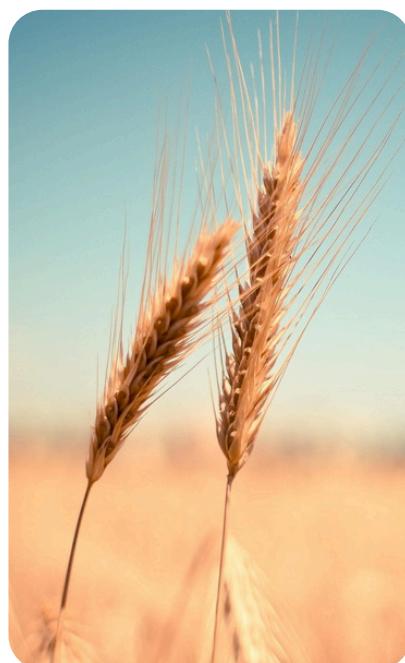
Biofuels

Each month we review the latest news and select key announcements and commentary from across the biofuels sector.



**Announcements
& Commentary**

**Research &
Development**



Providing clients with a strategic view of feedstock, technology, policy and marketing opportunity across the bioeconomy.

Contents

Contents	2
Foreword	3
Policy	5
Markets	5
Research & Development	7
Bioethanol	8
Aviation & Maritime Biofuels	9
Events	11
Price Information	12
Credits and Disclaimer	13





Welcome readers, to this month's Biofuels News Review.

Aviation is recognised as a hard to decarbonise sector, being tethered to energy-dense but carbon-intensive fuels, long-lived capital assets (aircraft), and significant infrastructure constraints. However, the industry is taking steps to improve the sustainability of its operations, as announcements from around the world demonstrate.

In the United Kingdom, a fresh injection of up to £43 million in government funding, announced on 20 January 2026, is bolstering green aviation initiatives. The initiative will support a range of R&D activities, encompassing sustainable aviation fuels, hydrogen propulsion, contrail mitigation, along with enhancing international presence by supporting SAF deployment and emission tracking in regions like Africa and the Caribbean. The package aims to catalyse £5 billion in economic value from low-carbon fuels, create high-skilled jobs, attract private investment, and facilitate cleaner operations alongside airport growth at major hubs like Heathrow, Gatwick, and Luton. It builds on the upcoming Sustainable Aviation Fuel Bill (effective later in 2026), the SAF mandate, and over £2.3 billion committed through the Aerospace Technology Institute, signalling strong policy commitment to biofuels as a bridge to zero-emission flight.

Innovation continues to flourish across diverse technological pathways. In Scotland, hydrogen technology developer HiiROC has received grant support from Scottish Enterprise to explore the potential of Thermal Plasma Reforming (TPR) technology for producing sustainable aviation fuel (SAF). The study will be conducted by HiiROC's wholly owned Scottish subsidiary Zeleno Ltd, in collaboration with Stratus Energy Partners. The TPR technology builds on HiiROC's proven Thermal Plasma Electrolysis (TPE) process, which produces low-carbon hydrogen and solid carbon without emitting carbon dioxide. Major partners such as Airbus, World Kinect, and Forth Green Freeport are backing the project, which aims to transition from a feasibility study to a full-scale Scottish SAF production facility driving regional job growth and economic investment.

Other technologies transforming biogas into SAF, are already at high TRLs and moving towards commercialisation. One example comes from Trafigura's six-year offtake agreement with Syzygy Plasmonics for advanced SAF produced from biogas in Uruguay. The NovaSAF-1 project will be the world's first electrified biogas-to-SAF facility producing biofuel and a RFNBO-compliant fuel (Renewable Fuels of Non-Biological Origin). The facility will use biogas from an agroindustrial complex and renewable power to produce synthetic paraffinic kerosene with a company claim of 90% lower lifecycle emissions than fossil jet fuel.



Perhaps most striking is the scale of potential emerging from Southeast Asia. The ASEAN SAF 2050 Outlook reveals that the region could produce as much as 8.5 million barrels of SAF daily by 2050, leveraging abundant agricultural and forestry waste as low-cost feedstock. With key resources including used cooking oil, rice waste, cassava waste, and forestry residues, ASEAN nations possess a comparative advantage that positions them not only as self-sufficient producers but as major exporters to markets in Japan, Singapore, and the Republic of Korea. This regional capacity shows that today's transition to sustainable aviation fuel is not constrained by resource availability but by a collective will to implement the necessary policies, forge partnerships, and make investments.

Read on for the latest news

Policy

New SAF tax credit included in proposed California budget



Canva.com

Tax Provision Description: Provides a tax credit for the sale or use of sustainable aviation fuel (SAF) that achieves a lifecycle greenhouse gas emissions reduction of at least 50% as compared with petroleum-based jet fuel

[Click here for more information.](#)

ACE Statement on House Leadership Decision to Create E15 Rural Energy Council

Congressional House leadership decided to omit from the pending appropriations package bipartisan legislation that would permanently allow the year-round, nationwide sale of E15 in favor of creating a new E15 Rural Energy Council to “develop legislative solutions to address the crisis facing our nation’s farmers and refiners.”

[Click here for more information.](#)

Markets

Vietnam on course to switch to biofuel nationwide from June 1

Vietnam will officially switch to biofuel gasoline E5 and E10 from June 1, 2026, under a long-prepared roadmap led by the government and relevant ministries.

“The rollout is fully ready in terms of the legal framework, technical infrastructure and consensus from the business community, in line with the goals of sustainable development and environmental protection,” Le Ngoc Hung, a representative of the Ministry of Science and Technology, said at a conference on fuel price management and supply on January 16.

Hung said the government has completed the key conditions required to bring E10 gasoline into operation on schedule. The ministry has coordinated with major distributors and fuel producers to license companies that meet eligibility requirements for nationwide implementation.

[Click here for more information.](#)

Record-high soybean crop expected in Brazil

Conditions are favorable for a record 2025-26 soybean crop in Brazil, along with a projected new high in exports, driven by demand from China, according to a report from the Foreign Agricultural Service (FAS) of the US Department of Agriculture. Planting reached nearly 98.5% of the total projected area as of the second half of December, with planting already completed in Mato Grosso, Paraná, Goiás, Mato Grosso do Sul, Minas Gerais, São Paulo, Bahia, Tocantins, and most other regions, the FAS said.

Soybean area is forecast at 49.1 million hectares, a year-over-year increase of 3.1%. The expansion is expected to result in estimated production of 177 million tonnes, a 3.2% increase from 2024-25, the FAS said.

[Click here for more information.](#)

Topsoe fuels China's push for sustainable aviation fuel – selected as technology provider for major project



Canva.com

Topsoe, a leading global provider of advanced technology and solutions for the energy transition, has been selected technology provider by the Tangshan Jinlihai Biotechnology Co., Ltd. (Tangshan Jinlihai), a developer and provider of renewable fuels. Topsoe will provide its Hydroflex® technology and related services for Tangshan Jinlihai industrial hub with a capacity 300,000 tons of feedstock annually.

When the project is in full operation, Topsoe's technology is expected to enable an annual emission avoidance of approximately 700,000 metric tons of CO₂e – the equivalent of avoiding the emissions from approximately two million passengers flying from Beijing to Copenhagen.

Yassir Ghiyati, Chief Commercial Officer at Topsoe, said:

"We are delighted to announce our collaboration with Tangshan Jinlihai, a partnership that reflects our shared commitment to advancing sustainable aviation fuel and renewable diesel. By applying Topsoe's proven technologies, we are enabling customers to move closer to their decarbonization goals while supporting efforts to reduce emissions across both China and Europe, making the energy transition truly global."

[Click here for more information.](#)

Petrobras expands its presence in the international market with the sale of bunker fuel containing renewable content

Petrobras has entered into an agreement to supply bunker fuel with renewable content (VLS B24) to the Norwegian company Odfjell, one of the world's largest shipowners in the transportation of chemicals and liquid bulk cargo. This strategic operation strengthens the company's position in the international low-carbon fuels market and meets the growing demand for more sustainable solutions in the maritime segment.

Petrobras' VLS B24 is a VLSFO (Very Low Sulfur Fuel Oil) composed of 24% biodiesel and 76% mineral oil produced at the company's refineries. The product complies with international quality standards and holds the International Sustainability and Carbon Certification – EU (ISCC EU), a global system that ensures traceability, compliance with sustainability criteria, and the reduction of greenhouse gas (GHG) emissions throughout the biofuel production chain, specifically designed to meet the requirements of the European market. In addition, the fuel meets the requirements of FuelEU Maritime, a European Union regulation that mandates a progressive reduction in the GHG intensity of fuels used by ships calling at European ports, encouraging the use of renewable and low-carbon solutions.

[Click here for more information.](#)

EU to phase out damaging soy biofuels

The EU will phase out soy in an attempt to curb the use of biofuels linked to indirect land-use change (ILUC), a significant cause of CO₂ emissions and biodiversity loss, new report findings published by the EU Commission show. With biofuels consumption globally on the rise, the report's findings demonstrate the deforestation risk of promoting food and feed crops for fuel, says T&E.

Cian Delaney, biofuels campaigner at T&E, said: "Soy biofuels are twice as bad for the planet as fossil diesel. Phasing them out is the right way to go and ensures that American, Argentinian and Brazilian soy does not end up in European tanks, especially now that the EU has signed the Mercosur trade deal. But other feedstocks associated with high levels of land use change, like sugarcane, remain just below the threshold. This means they can continue to count towards EU renewable targets. Food and feed crop biofuels are a bad idea, it's time to move beyond burning."

[Click here for more information.](#)

Moeve and Galp negotiate to combine downstream activities to form leading European Energy and Mobility platforms

Moeve and Galp announced that they have reached a non-binding agreement to advance detailed discussions on the potential combination of their downstream portfolios with the aim of creating two leading energy companies in the Iberian Peninsula.

The discussions will assess the potential creation of two European energy platforms: an industrial platform focused on refining, chemicals, trading, green molecules and low-carbon fuels, serving B2B customers (IndustrialCo); and a mobility platform focused on fuel retail (including EV charging) and convenience, serving retail and mobility customers and supporting the development of next-generation mobility solutions (RetailCo). Moeve's current shareholders, Mubadala and Carlyle, will hold a controlling interest in the Industrial Combination, with Galp holding above 20%. The RetailCo will be co-controlled by Moeve's current shareholders and Galp. The proposed combination excludes other Galp businesses, such as Upstream, Renewables, Supply & Trading of oil, gas and power.

[Click here for more information.](#)

Research & Development

Biofuels firm Ecoceres running new Malaysia plant at near full capacity, CEO says



Canva.com

Ecoceres' new plant in Malaysia that turns used cooking oil into sustainable aviation fuel is running at near-full capacity, the biofuel producer's CEO said on Monday.

The plant, Malaysia's first for SAF, is situated at Tanjung Langsat in Johor Bahru near Singapore's border and can produce up to 420,000 metric tons per year of SAF, hydrotreated vegetable oil - also known as renewable diesel - as well as bio-naphtha.

The plant is running at around 95% of its nameplate capacity, Ecoceres CEO Matti Lievonon said at an inauguration event for the plant, which opened in October.

Ecoceres, jointly controlled by Hong Kong's city gas company Towngas and U.S.-based Bain Capital, exported its first SAF cargo from the plant in December, to Europe, which Lievonon said accounted for the major part of demand.

[Click here for more information.](#)

EU project explores use of tomato waste to produce sustainable aviation fuel



Canva.com

Waste generated from tomato processing could soon be used to fuel aircraft, as a new European research initiative works on turning tomato residues into sustainable aviation fuel, reports biofuels international.

Led by Graz University of Technology (TU Graz), the EU-backed ToFuel project is developing a biorefinery model that converts leftover tomato plant material into cleaner fuel for aviation. The aim is to create a process that produces no waste, reduces emissions, and remains cost-effective, supporting efforts to cut the aviation sector's reliance on fossil fuels.

Tomatoes are the world's second most consumed vegetable after potatoes. The European Union is the third-largest producer, harvesting about 17 million tonnes each year. However, tomato farming and processing generate large volumes of waste, including leaves, stems, flowers, peels, seeds and tomatoes that fail to meet quality standards.

[Click here for more information.](#)

Bioethanol

Sonatrach Raffineria Italiana begins blending E5



Canva.com

In Italy, Sonatrach Raffineria Italiana has reached a significant milestone with the launch of production of gasoline blended with 5% ethanol, the first tanker of which was shipped on January 14th from its Augusta terminal.

The introduction of ethanol blending, produced at the IMA plant in the Trapani area, is part of the strategy to increase the content of renewable components in automotive fuels produced by the Augusta Refinery and contributes to the company's energy transition.

[Click here for more information.](#)

Embraer takes first step to fly agricultural aircraft abroad

Embraer is taking the first step toward internationalizing its agricultural aviation business. The company has signed an agreement with an ethanol plant in Argentina to explore the market in the country for the Ipanema crop-dusting aircraft, which runs on biofuel.

The Brazilian company signed a memorandum of understanding with the Essential Energy Holding group, owner of Bioenergías Agropecuárias, a distillery located in the north of the province of Santa Fe that produces ethanol from sugarcane

and corn. The plan is for the two companies to assess the market potential of Ipanema in Argentina, the conditions for supplying ethanol to aircraft of Argentine customers, and what the distribution infrastructure should be like, among other aspects.

[Click here for more information.](#)

Maritime & Aviation Fuels

HiIROC Secures Funding from Scottish Enterprise for Groundbreaking SAF Feasibility Study

HiIROC, a leading innovator in clean hydrogen production, has received grant support from Scotland's national economic agency, Scottish Enterprise, towards a project that could transform the aviation industry.

The funding will be used towards a comprehensive feasibility study aimed at developing a low-power, negative carbon Sustainable Aviation Fuel (SAF) business in Scotland.

Scottish Enterprise Director for Energy Transition Suzanne Sosna said: "It is fantastic to see this feasibility project take place with collaboration from key partners and stakeholders that will support the development of innovative technologies around the production of Sustainable Aviation Fuel in Scotland.

[Click here for more information.](#)

£43 million boost for green aviation to drive growth, jobs and cleaner flights



Canva.com

The aviation industry is set for a major boost as £43 million for green projects was announced by the government today (20 January 2026), supporting jobs and unlocking new investment.

The major investment comes as the Government drives forward plans for expansion at Heathrow, Gatwick and Luton airports and the Transport Secretary will today chair a meeting with prominent airlines, airports, innovators and engineering firms to discuss how cutting-edge technology will decarbonise the sector while delivering growth.

With the production of low-carbon fuels alone expected to add up to £5 billion to the economy by 2050, the funding will drive millions of pounds of private investment into the aviation sector, supporting skilled jobs in technology development and scientific research and funding projects to slash emissions from aviation.

[Click here for more information.](#)

ASEAN poised to produce 8.5 million barrels of sustainable aviation fuel daily by 2050

With the pressing need to decarbonise aviation, ASEAN economies could generate as much as 8.5 million barrels per day of Sustainable Aviation Fuel (SAF) by 2050, according to the ASEAN SAF 2050 Outlook report.

The report provides a regional supply chain assessment for 2030, 2040, and 2050, examining potential SAF demand and supply scenarios across Cambodia, Indonesia, Lao PDR, Malaysia, the Philippines, Thailand, and Viet Nam, as well as import markets including Japan, Singapore, and the Republic of Korea (ROK).

The report was developed by GHD through financial support provided by Global Affairs Canada from the Canadian Trade and Investment Facility for Development (CTIF) implemented by Cowater International (Cowater) in association with the Institute of Public Administrators of Canada (IPAC) and Global Affairs Canada, with Boeing as the knowledge partner, and supporting the ASEAN Secretariat.

[Click here for more information](#)

TotalEnergies CEO expects EU mandate on sustainable aviation fuel to be dropped in future

TotalEnergies (TTEF.PA), opens new tab CEO Patrick Pouyanne said on Wednesday that he expected the European Union to water down its mandate to incorporate sustainable aviation fuel in future, similar to the bloc's recent decision to drop a proposed ban on new combustion-engine cars from 2035.

Last year the EU mandated that 2% of jet fuel made available at its airports needed to be SAF, a requirement that will rise to 6% in 2030 and 20% in 2035.

[Click here for more information.](#)

Biofuels accelerate maritime fuel shift



Canva.com

Ports and terminals face rising demand for biofuels as global energy markets shift toward lower-carbon transportation fuels through 2035.

A new report by Acumen Research & Consulting reveals that the global biofuels market is forecast to grow from \$184.21 billion in 2025 to \$326.46 billion by 2035, expanding at a compound annual growth rate of 5.95%.

[Click here for more information.](#)

Events

28th - 30th April 2026

**Argus Green Marine Fuels
Europe Conference**

Antwerp, Belgium

CONFERENCE

[Click here for more information](#)

5th - 7th May 2026

**Global Maritime
Decarbonisation 2026**

Amsterdam, Netherlands

CONFERENCE

[Click here for more information](#)

22nd - 23rd September 2026

SAF Global Summit 2026

London, UK

CONFERENCE

[Click here for more information](#)

20th - 22nd October 2026

Argus Biofuels Europe

London, UK

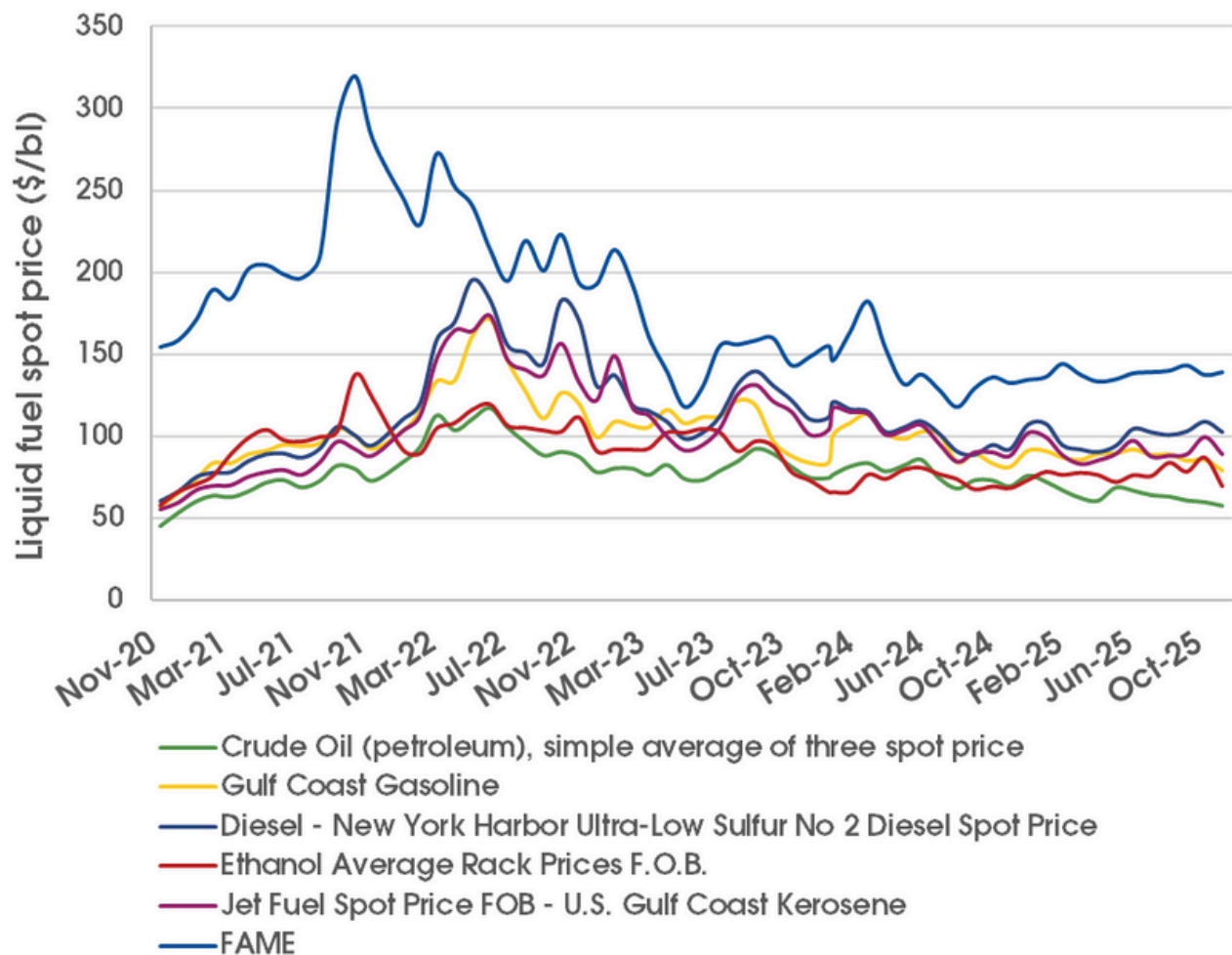
CONFERENCE

EXHIBITION

[Click here for more information](#)

Price Information

Historical spot prices of liquid fossil fuels and liquid biofuels. Five years of pricing up to January 2026 are given in \$ per barrel.



Prices of Crude oil, diesel, jet fuel, gasoline and ethanol are recorded from Trading Economics
 Prices for FAME from Neste (NB: Prices for June to August 2024 and January 2025 to present refer to UCOME only)

Credits and Disclaimer

Alder Bioinsights News Review is edited by Konstantinos Drousiotis for Alder BioInsights subscribers. Feedback is welcome. The Review has been compiled in good faith and Alder BioInsights does not accept responsibility for any inaccuracies or the products or services shown.





Alder BioInsights is a leading international consultancy
with expertise on the conversion of biomass to
bioenergy, biofuels and biobased products.

Biocentre, York Science Park, Innovation Way, Heslington, York YO10 5NY

+44 (0) 1904 217 182 | enquiries@alderbioinsights.co.uk

alderbioinsights.co.uk