

Biofuels

Trafigura-owned biodiesel plant to close in new blow to UK industry

Plan to shut Greenergy unit follows recent collapse of oil refinery in the same area



A Greenergy biodiesel plant © Greenergy

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Published JUL 10 2025

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A biodiesel plant in northern England is set to close in the latest blow for UK industry following the collapse of an oil refinery in the same area last week.

Greenergy, owned by global commodities trading giant Trafigura, said on Thursday that it planned to end biodiesel production in Immingham, in north-east Lincolnshire. The product is blended into normal diesel to reduce carbon dioxide emissions from transport.

The company blamed difficult market conditions due to competition from US imports and insufficiently ambitious mandates for biodiesel use in Britain. The plans are subject to consultation with the refinery's 60-strong workforce.

The plant produces more than 100,000 tonnes a year of biodiesel, mostly from used cooking oil. It accounts for about a quarter of the UK's biodiesel production capacity.

Adam Traeger, chief executive of Greenergy, said it did “not have enough certainty on the outlook for UK [biofuels](#) policy to make the substantial investments required” to make the Immingham site competitive.

Trafigura bought Greenergy from Canadian infrastructure giant Brookfield last year for an undisclosed price, saying it planned to “explore new opportunities that will support the transition to a lower carbon future”.

Greenergy also owns a second, larger biodiesel plant in Teesside, about 100 miles north of Immingham, and a third in the Netherlands.

The planned closure of the Immingham plant comes less than two weeks after the Lindsey oil refinery, which is only a few miles away, [collapsed into insolvency](#), putting about 400 jobs at risk.

The UK's biodiesel industry has come under pressure from an influx of US imports after the UK removed tariffs on US hydrotreated vegetable oil (HVO), a form of biodiesel, in November 2022, but the EU kept theirs in place.

The UK Trade Remedies Authority opened an anti-dumping investigation into HVO imports from the US last year, following complaints from British producers.

Greenergy also said Britain's policy on the proportion of road transport fuel which must come from renewable sources, such as biodiesel or bioethanol, was lower than European countries. The UK's current target of 12.15 per cent is set to rise to 14.6 per cent by 2032.

Last year, Argent Energy set out plans to mothball its biodiesel plant in Motherwell, Scotland, blaming competition from Chinese and US imports.

ABF Sugar has also said it will close its Hull-based Vivergo unit — Britain's largest bioethanol plant — unless the UK offers more supportive policies. Bioethanol is made from sugars and blended into petrol.

The UK bioethanol industry's future was thrown into doubt in June after Prime Minister Sir Keir Starmer agreed a 1.4bn-litre tariff-free import quota for US ethanol as part of a deal struck with US President Donald Trump. The quota is equivalent to the UK's total annual demand for the product.

Paul Kenward, chief executive of ABF Sugar, said the government needed to create a level playing field for UK biofuel producers.

“Right now the UK policy environment is doing the opposite. It is driving away investment, distorting the market and putting strategically important sites at risk of closure . . . time is running out,” Kenward said.

A spokesperson for the government said: “We’re engaging with the company [Greenergy] to understand the challenges and how we can address their concerns.”

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