



Statement of Essential Facts

INVESTIGATION No. AS0067

Subsidy investigation into Hydrotreated Vegetable Oil (HVO) originating in the United States of America (US).

28 November 2025



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Section A: Introduction

A1. Investigation

1. This investigation covers the alleged importation of subsidised hydrotreated vegetable oil (HVO) imported into the United Kingdom (UK) originating in, and imported from, the United States of America (US). A full description of the goods concerned and intended recommendation can be found in **Section D: the goods concerned and like goods**.
2. This section briefly summarises the legal framework for this statement of essential facts (SEF) and the Trade Remedies Authority (TRA)'s main findings. The background to and details of the investigation are explained fully in the subsequent sections.
3. This SEF sets out a summary of the facts considered by the TRA during the investigation, those facts that have formed the basis of the TRA's intended final determination and the countervailing measure that the TRA intends to recommend to the Secretary of State for Business and Trade (Secretary of State).
4. It should be read in conjunction with other public documents available for this case, which are available on the public file at [HVO originating in the United States of America - Trade Remedies Service - GOV.UK](#).
5. This SEF also informs interested parties who have supplied information how the TRA has considered and used the information provided to it. The SEF provides details of the analysis forming the basis of the intended determination and allows interested parties to make submissions in response.
6. Interested parties, contributors and any other person who has supplied information to the TRA are invited to make submissions within 21 calendar days of the publication date of this SEF, i.e. before 23:59 hours (GMT) on **19 December 2025**, as per Regulation 62(2) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (S.I. 2019/450) (as amended) (the Regulations).
7. Any submissions received after this date may not be accepted by the TRA if to do so would significantly impede the progress of this investigation. Where the TRA rejects information for any reason, it will publish the reasons for rejection in the final determination.



8. Registered interested parties to the case can make submissions on the Trade Remedies Service online platform (TRS). These submissions must be accompanied by a non-confidential version of the submission for the public file. Those not registered on the TRS may send submissions by email to **AS0067@traderemedies.gov.uk**. These submissions must also be accompanied by a non-confidential version for the public file.
9. In exceptional circumstances it may not be possible to summarise confidential information. If this is the case, interested parties must provide a 'statement of reasons' setting out the reasons why the TRA should treat the information as confidential and why summarisation of the information is not possible, as defined under regulation 45(6)(b) of the Regulations.
10. For further information about our investigations, please see our [public guidance](#).

A2. Unit of Measurement

11. The product is a liquid and is referenced by a variety of metrics in the marketplace. Units are litres (l) as measurement for volume. The UK industry commonly uses both Great British Pounds (GBP) and United States Dollars (USD) as currency. In order to compare the trends, all volume units have been converted to litres, and unit pricing to GBP/l.
12. Based on registered exporters' data and industry standards, the TRA has used the following conversion rates, Fatty-acid mono-alkylesters (FAME) 1,136 litres to a metric ton (mt) on all codes, and for HVO 1,282 l/mt.

A3. Legal framework

13. This SEF is made pursuant to regulation 62 of the Regulations. It includes:
 - the determination that the TRA intends to make;
 - a summary of the facts considered during the investigation;
 - those facts referred to in the summary that formed the basis of the intended determination;
 - details of how the TRA has used the information supplied by interested parties, HMRC data, and from open-source research in making the intended final determination; and
 - details of the analysis forming the basis of the intended determination.



A4. Period of investigation and injury period

14. The period of investigation (POI) is 1 January 2024 to 31 December 2024.
15. To assess injury, the TRA has examined the period from 1 January 2021 to 31 December 2024 as the injury period (IP).



Section B: Summary and findings

B1. Subsidy

16. In accordance with 8(3)(a) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act) the TRA has examined whether goods which have been or are being imported into the UK are subsidised, as defined in paragraph 3(1) of Schedule 4 to the Act.
17. The TRA has concluded that the goods concerned, which have been or are being imported into the UK from the US are subsidised (see [Section F. Subsidy](#)).

B2. Injury

18. In accordance with paragraph 8(3)(b) of Schedule 4 to the Act, the TRA has examined whether the importation of the subsidised goods concerned has caused or is causing injury, as defined in paragraph 5 of Schedule 4 to the Act, to a UK industry in the like goods.
19. The TRA has concluded that the UK industry has suffered injury and that the importation of subsidised goods concerned from the US has caused injury to the UK industry (see [Section G. Injury](#))

B3. Economic interest test (EIT)

20. The TRA has considered the evidence before it and the following factors set out under paragraph 25 of Schedule 4 to the Act:
 - the injury caused by the importation of the subsidised goods to a UK industry in the like goods and the benefits to that UK industry in removing that injury;
 - the economic significance of affected industries and consumers in the UK;
 - the likely impact on affected industries and consumers in the UK;
 - the likely impact on particular geographic areas, or particular groups, in the UK;
 - the likely consequences for the competitive environment, and for the structure of markets for like goods, in the UK; and
 - such other matters as we considered relevant.



21. We have concluded that the application of a countervailing measure that the TRA intends to recommend to the Secretary of State meets the EIT (see [Section I. Economic Interest Test](#)).

B4. Intended final determination and recommended measure

22. In accordance with regulation 62(1) of the Regulations, before making a final affirmative determination for the purpose of paragraph 11(5) of Schedule 4 to the Act, the TRA must publish a SEF that sets out the intended final determination, a summary of the facts considered during the investigation, and a summary of those facts that formed the basis of the intended final determination.

23. The TRA intends to make a final affirmative determination in respect of goods concerned originating from the US that fall under commodity codes:

1516209821	1516209829	1516209833	1518009121	1518009129
1518009133	1518009521	1518009921	1518009929	1518009933
2710194221	2710194229	2710194290	2710194421	2710194429
2710194433	2710194621	2710194629	2710194633	2710194721
2710194729	2710194733	2710194810	2710194890	2710201121
2710201129	2710201133	2710201621	2710201629	2710201633
2710201693	2710201910	2710201990	3824999210	3824999214
3824999217	3826009011	3826009019	3826009033	

24. The TRA has determined that the goods concerned subject to a final affirmative determination have been or are being imported into the UK from the US and are subsidised, and that the importation of the subsidised goods concerned from the US has caused or is causing injury to UK Industry in the like goods. The TRA has determined that the application of a countervailing measure that it intends to recommend to the Secretary of State meets the EIT.
25. The TRA intends to recommend that the Secretary of State impose a fixed duty for a period of five years on the goods concerned that are the subject of the final affirmative determination.



26. The rates of duty the TRA intends to recommend are as stated in Table 1:

Table 1: Recommended fixed duty rates	
US producer	Duty Amount in £ per metric tonne
Diamond Green Diesel LLC (DGD)	£265.82
Phillips 66 Company (P66)	£257.80
St Bernard Renewables LLC (SBR)	£258.10
All other US exporters (residual amount)	£303.56



Section C: Background

C1. Initiation

27. On 28 November 2024, the TRA received an [application](#) lodged by the Renewable Transport Fuel Association (RTFA), Greenergy Fuels Limited, Argent Energy Limited and Olleco, alleging that goods concerned that have been or are being imported into the UK from the US are subsidised and that the importation of the subsidised goods concerned from the US is causing injury to a UK industry in the like goods.
28. The TRA was satisfied that the application contained sufficient evidence of the importation of subsidised goods and resulting injury to justify the initiation of the investigation, and that the requirements referred to in paragraph 9 of Schedule 4 to the Act and regulation 51 of the [Trade Remedies \(Dumping and Subsidisation\) \(EU Exit\) Regulations 2019 \(the Regulations\)](#) have been met.
29. The investigation was initiated by the TRA on 17 March 2025, and the [notice of initiation](#) was published on that date.
30. The Secretary of State, the foreign government of the US and other known interested parties and contributors were notified accordingly and invited to register on the [Trade Remedies Service](#) to participate in the investigation.
31. SBR commented on the application for AS0067/AD0068 in May 2025. These comments covered four main areas:
 - I. Lack of explanation as to the nature of the redacted information.
 - II. Over-redacted information which ostensibly appears public.
 - III. Details on source information used in support of confidential responses.
 - IV. Unredacted data formatting does not allow for substantive analysis.
32. SBR asserts that the RTFA and their legal representatives have a statutory requirement to provide a sufficiently detailed non-confidential version of all of their submissions.
33. SBR submitted a “Challenge Document” in which they highlighted:
 - I. sections where there is insufficient detail to decide if the information is confidential or not,
 - II. data or information that may in itself be confidential but for which no meaningful summary or explanation has been provided, and



- III. data or information that cannot be understood as it is both indexed and ranged.
34. SBR comments that the lack of explanation surrounding why information was redacted, in the non-confidential version of the application, limited their ability to respond to the case.
35. The TRA has reviewed this document and the areas of issue. The TRA considers that a majority of the redacted information is correctly redacted as it covers sensitive commercial information. Where we considered that there was merit to SBR's comment we asked the applicant to review the redaction.
36. The TRA has considered the comment "*data or information that may in itself be confidential but for which no meaningful summary or explanation has been provided*" and in response we asked the applicant to provide further information to indicate why information had been redacted
37. The applicant addressed the comments regarding redactions and a lack of explanation for excluding information and submitted an amended non confidential application which was published on 24 June 2025 providing more detail on areas of redaction, and clearer ranges on data in accordance with TRA guidance.
38. During the investigation interested parties have questioned the standing of UK industry for this investigation. Standing is determined under paragraph 9(1) (i) Schedule 4 of [Taxation \(Cross-border Trade\) Act 2018](#). The standing in this case is that the majority of UK industry (made up of Greenergy Fuels Limited, Argent Energy Limited and Olleco) in the like goods supported the application, and the market share requirements were met. On the basis of this being met (alongside the other legislative requirements as to sufficiency of the evidence in the application) the TRA made a notice under paragraph 9(6) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act) to initiate an investigation into alleged subsidised goods being imported into the UK and causing injury to UK industry.

C2. Conduct of the investigation

C2.1 Participation in the investigation

39. The following interested parties and contributors registered to this investigation:

UK Producers:

- Argent Energy (UK) Limited (Argent)
- Olleco



- Greenergy Fuels Limited (Greenergy)

Overseas Exporters:

- Diamond Green Diesel LLC (DGD)
- St Bernard Renewables LLC (SBR)
- Phillips 66 Company (P66)

Importers:

- ESL Fuels Limited
- Phillips 66 Limited
- Valero Energy Limited
- Crown Oil Limited
- Certas Energy UK Limited

UK trade bodies:

- Renewable Transport Fuel Association (the applicant) (RTFA)
- UK & Ireland Fuel Distributors Association Limited (UKIFDA)
- UK Oil Industry Tax Committee (UKOITC)

Foreign Governments

- Office of the US Trade Representative (USTR)
- US Embassy to London

Contributors:

- Shell Trading Rotterdam BV
- Kolmar Group AG
- Neste Corporation
- Mitchell and Webber Limited

40. The relevant non-confidential submissions made to this investigation by each of the participants are available on the [public file](#) and a summary of the submissions made are outlined in [Annex A: Summary of submissions on the public file received from registered interested parties and contributors.](#)

C2.1.1 UK Producers

41. Three producers of biodiesel in the UK registered an interest in the investigation: Argent, Olleco, and Greenergy. The three producers represent approximately 98% of biodiesel production in the UK.



42. Following responses to the pre-sampling questionnaire (PSQ) received during the registration period, with respect to Regulation 57 of the Regulations, the TRA limited its examination of UK producers.
43. The TRA published a [notice of proposed sample](#) on 11 April 2025 which was based on the two companies with the largest UK domestic sales volumes, that the TRA could reasonably investigate.
44. The UK producers selected to be within the sample were:
 - Argent
 - Greenergy
45. One comment relating to the proposed sample was received from SBR on 23 April 2025, recommending including Olleco in the sample.
46. The TRA considered the comment, however determined that limiting the investigation to two UK producers was based on a reasonable method, noting that they covered 91% of UK production. No further comments relating to the proposed sample were received and the [final sample](#), which included the UK producers listed in the proposed sample above, was published to the public file on 23 April 2025.

C2.1.2 Overseas Exporters

47. The TRA did not sample exporters. Only two exporters had registered before the notice of proposed sample was published on 11 April 2025. A further party, P66, registered on 18 April 2025 and the TRA accepted the registration and decided that sampling of exporters was still not required.
48. The TRA received full questionnaire responses from the following US producing exporters:
 - Diamond Green Diesel LLC (DGD)
 - St Bernard Renewables LLC (SBR)
 - Phillips 66 Company (P66)

C2.1.3 Importers

49. Due to the number of responses received to the PSQ during the registration period, with respect to Regulation 57 of the Regulations, the TRA limited its examination of importers. The [notice of proposed sample](#) published on 11 April 2025 outlined the sampling of importers, based on the two companies with the largest volume of UK imports from the US that the TRA could reasonably investigate.



50. The importers selected to be within the sample were:
- Valero Energy Limited
 - Crown Oil Limited
51. One comment relating to the proposed sample was received from SBR on 23 April 2025. SBR commented that it did not know how many importers had replied to the PSQ and therefore reserved its right to comment at a later date. SBR requested the TRA to apply the same methodology to the sampling of UK companies as it had to the sampling of US exporters, and by extension to the sampling of UK importers.
52. No further comments were received on the proposed importer sample and the [final sample](#), as detailed above, was published on 23 April 2025.
53. We received a full questionnaire response from:
- Phillips 66 Limited
 - Valero Energy Limited
 - Crown Oil Limited
 - ESL Fuels Limited
54. Phillips 66 Limited responded in respect of the exporter submission from the US producer Phillips 66 Corporation which sold product on an associated sales basis.

C2.1.4 UK Trade Bodies

55. The RTFA was the applicant of the investigation and a non-confidential version of the application can be viewed on the [public file](#). It did not provide a questionnaire response in the period.
56. UKIFDA and UKOITC did not provide questionnaire responses in the period.

C2.1.5 Foreign Governments

57. The USTR registered its interest in the investigation on behalf of the government of the US.
58. The US Embassy to London registered its interest in the investigation on behalf of the government of the US.
59. The US government did not provide a questionnaire response in the period, however it provided a detailed overview of the subsidies and its opinion on the investigation, which the TRA considered.



C2.1.6 Contributors

60. The contributors listed in paragraph 33 registered an interest to the case however no questionnaire responses were received.

D2.1.7 Non-cooperation

61. No registered parties were deemed to be non-cooperative.

C2.2 Registration of Imports

62. The applicants to this investigation requested that imports of HVO be registered, when they submitted their application on 28 November 2024.

63. Reasons for the request to register imports were given as:

- The applicants are suffering material injury due to earlier revocation of measures on US origin HVO.
- A subsequent extension of EU measures on US HVO, resulting in a flood of imports into the UK.
- Registration will allow separation of HMRC data on combined codes where FAME and HVO share the same commodity code.

64. On 8 July 2025, the Secretary of State made the decision under paragraph 29 of Schedule 4 to the Act to require HMRC to register HVO originating in the USA, which is the subject of ongoing investigations, and to which countervailing amounts may be applied as of 9 July 2025.

65. The TRA reviewed the data from the registration of imports in November 2025, and this is further addressed in [Section H2 Registration of Imports](#) below.

C3. How submitted data was used

66. The TRA has used data submitted by cooperating parties as part of the evidence upon which we have based our assessments and formed our conclusions. We have compared submitted data against the totality of relevant evidence available to us including submissions from other interested parties and contributors, evidence from TRA data submissions, and publicly available data from government, industry and other sources. A list of data submitted and considered by the TRA is listed in Annex B.

67. We have also used submitted data to corroborate or gain a level of assurance as to that data itself, or other evidence either submitted to us or gathered by us.



68. Within this publication, there are instances where Argus Media (Argus) is identified as a source of the data which the Trade Remedies Authority (TRA) has aggregated and republished under licence from Argus. This data has not been prepared specifically for the TRA nor with any knowledge of any of the materials into which the TRA is incorporating it. Argus makes no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of its data or the TRA's presentation of that data, or its fitness for any particular purpose. Argus shall not be liable for any loss or damage arising from any party's reliance or use of such data and disclaims any and all liability related to or arising out of use of the data to the fullest extent permissible by law.

C4. Verification of data

69. The TRA undertook verification activities in relation to the information provided by the cooperating interested parties, during which the completeness, relevance, and accuracy of that information was assessed. The TRA has considered the information supplied by cooperative interested parties and contributors, provided that this information:

- complied with the applicable statutory requirements and the TRA's public guidance;
- was verifiable;
- could be used without undue difficulty; and
- was supplied within an applicable time limit and in a form that the TRA requested.

70. The TRA completed in-person verification activities for the UK producers - Greenergy, Argent, UK importer - Valero and US exporters - DGD, SBR and P66, with remote verification for UK importer - Crown Oils. Concluding reasonable assurance in the completeness, relevance, and accuracy of the data in all instances.

71. Verification reports were produced for each of the parties visited and non-confidential versions of these reports are available on the public file:

- [Argent](#)
- [Greenergy](#)
- [Crown Oils](#)
- [Valero](#)



- [DGD](#)
- [SBR](#)
- [P66](#)

72. Secondary source information was used in accordance with regulation 47 of the Regulations. This secondary source information was treated with special circumspection and, where practicable, verified using independent sources. This included, but was not limited to, official import statistics and data pertaining to relevant markets.

C5. Submissions from interested parties

73. During the investigation the TRA has received submissions from interested parties on aspects of the investigation.

74. The submissions received have been submitted with both a confidential and a non-confidential version, with the non-confidential version being published on the public file. The TRA received the following submissions:

[SBR submission](#) – April 2025

[SBR submission](#) – May 2025

[USTR](#) – June 2025

[USTR](#) – July 2025

[DGD and Valero](#) – Sept 2025

[RTFA](#) – Sept 2025.

[Construction Plant-hire Association \(CPA\)](#) – Nov 2025

75. The submissions received raised views and provided information on a number of areas, which are addressed within this SEF. The areas raised and where they are addressed in the SEF is detailed below:

SBR:

- Application data – see Section C1
- Sampling – see Section C2.1.1

USTR:

- General and procedural comments – see Sections C and D.
- Like goods – non substitutability – see Section D4.1 – D4.5



- Standing of UK producers – see Section C1 and Section D.
- Revised application– see Section C1
- Injury – see Section G
- Injury – UK producers’ economic factors – see Section G1.3
- Feedstock costs – see Section G2.4

DGD/Valero:

- Like goods – see Section D4.5
 - There is no HVO production in the UK
 - Standing
- No UK injury due to US goods– see Section G
- US production no longer benefits from BTC – see Section F2
- Injury and causal link– see Section G
- Economic interest – See Section I
- Registration of imports – see Section H2
- G3 The increased level of biodiesel imports from China
-

RTFA:

- Injury – See Section G
- Standing – See Section C1
- Like Goods – See Section D
- Relevance of 45Z – See Section F4.1

CPA:

- End uses in non-road based machinery – See Section D4.



Section D: The goods concerned and the like goods

D1. Goods concerned

76. The TRA refers to the goods it investigates as the 'goods concerned' as per regulation 2 of the Regulations. These are the goods described in the notice of initiation.

77. The goods concerned are:

Biodiesel (or paraffinic diesel fuel / gasoil) obtained from synthesis or hydrotreatment of oils and fats of non-fossil origin, in pure form or as included in a blend, originating in the United States of America (US). This biodiesel is commonly known as hydrotreated (hydrogenated) vegetable oil diesel (HVO), renewable diesel or green diesel. Synthetic paraffinic kerosene (also known as sustainable aviation fuel (SAF)) is excluded from this description of biodiesel.

78. The goods concerned are imported into the UK under the following UK Global Tariff commodity codes:

1516209821	1516209829	1516209833	1518009121	1518009129
1518009133	1518009521	1518009921	1518009929	1518009933
2710194221	2710194229	2710194290	2710194421	2710194429
2710194433	2710194621	2710194629	2710194633	2710194721
2710194729	2710194733	2710194810	2710194890	2710201121
2710201129	2710201133	2710201621	2710201629	2710201633
2710201693	2710201910	2710201990	3824999210	3824999214
3824999217	3826009011	3826009019	3826009033	

D2. Like goods

79. In accordance with paragraph 7 of Schedule 4 to the Act, the TRA refers to 'like goods' as those which are like the goods concerned in all respects or, if there are no such goods, goods which, although not alike in all respects, have characteristics closely resembling those of the goods in question.

80. The following are considered Like Goods for the purposes of this investigation:

Fatty-acid mono-alkylesters (FAME) from non-fossil origin, in pure form or as included in a blend, excluding sustainable aviation fuel,

and



Biodiesel (or paraffinic diesel fuel / gasoil) obtained from synthesis or hydrotreatment of oils and fats of non-fossil origin, in pure form or as included in a blend, originating in the UK or Rest of World (RoW). This biodiesel is commonly known as hydrotreated (hydrogenated) vegetable oil diesel (HVO), renewable diesel or green diesel. Synthetic paraffinic kerosene (also known as sustainable aviation fuel (SAF)) is excluded from this description of biodiesel.

D3. Relevant goods

81. In accordance with paragraph 17(2) of Schedule 4 to the Act, the goods concerned which are the subject of this SEF and Recommendation are referred to as the 'relevant goods'.

82. The relevant goods are:

Biodiesel (or paraffinic diesel fuel / gasoil) obtained from synthesis or hydrotreatment of oils and fats of non-fossil origin, in pure form or as included in a blend, originating in the United States of America (US). This biodiesel is commonly known as hydrotreated (hydrogenated) vegetable oil diesel (HVO), renewable diesel or green diesel. Synthetic paraffinic kerosene (also known as sustainable aviation fuel (SAF)) is excluded from this description of biodiesel.

83. Since the goods concerned and the relevant goods are the same (as defined in [Section D1](#)), this SEF and Recommendation will hereafter only refer to the 'goods concerned'.

D4. Comparison of goods concerned and the like goods

84. The TRA made an earlier determination in the TD0004 and TS0005 transition reviews that HVO and FAME are comparable products and are like goods. We have outlined our like goods assessment for this investigation below, and there are no material changes from the conclusions that were reached in TD0004 and TD0005.

85. In assessing whether the goods produced by the UK industry are like the goods concerned in all respects or with characteristics closely resembling them, the TRA has considered:

- a) physical likeness, including physical characteristics;
- b) commercial likeness, including competition and distribution channels;
- c) functional likeness, including end-use or interchangeability of the goods;
- d) similarities in production, including method of production and inputs;
- e) other relevant characteristics.



86. FAME and HVO are produced in the US. While there is evidence that the UK biodiesel industry produces FAME, the TRA has not established any evidence of large-scale production of HVO within the UK, although investment in a production plant is known.

D4.1. Physical Likeness

87. HVO and FAME are fuels of non-fossil origin produced with the same base majority raw material. Both are low sulphur fuels that release lower carbon dioxide emissions than diesel.
88. The difference in technical and chemical characteristics is not disputed. HVO is a hydrocarbon that has a close chemical composition to mineral diesel. HVO is a clear colourless liquid with no odour. FAME is a methyl ester which is a transparent liquid (colourless to yellow) with low odour.
89. HVO has a higher cetane number, lower density at 15°C and lack of oxygen content (meaning it is less likely to oxidise). It has a lower average cold filter plugging point (CFPP), with HVO fuel standard EN 15940 specifying a CFPP of anywhere between -15°C and -34°C, although there can be CFPP overlap between HVO and FAME. CFPP is an important quality in fuel that determines the level of temperature variation the fuel can withstand before it freezes or gels. HVO has a minimum flashpoint of 61°C which means that it is safe in warmer conditions as well as freezing temperatures. HVO is a fungible fuel with diesel in a road-transport diesel engine on a technical basis.

D4.2. Commercial Likeness

90. HVO operates under the fuel specification for EN 15940 while FAME operates under fuel specification EN 14214. Both fuels operate comparably under diesel standard EN 590 once blended with mineral diesel for use as a road transport fuel. Fuel for road transport is the primary use of HVO and FAME, with a range of blend rates.
91. In the UK, road fuel diesel may contain up to 7% biodiesel (known as B7) as per legislation, and the majority of HVO and FAME is blended with mineral diesel up to B7 for sale at forecourts. This B7 will then be sold as blended diesel and will operate under EN 590, irrespective of whether HVO or FAME formed the bio-content of the blend. In this respect, HVO and FAME compete directly with each other for customers.
92. Distribution channels for both HVO and FAME are identical.



D4.3. Functional Likeness

93. This refers to how the market treats the potential like goods compared to the goods concerned. As part of this investigation, the TRA considered the end use and interchangeability of the products in question.
94. End use requires consideration of the extent to which FAME and HVO products are capable of performing the same, or similar functions. Interchangeability requires consideration as to whether consumers are willing to choose one product instead of another to perform those end uses.
95. As outlined in D4.2, blended up to 'B7' HVO and FAME are directly substitutable and interchangeable goods at a forecourt fuel level, where a significant portion of UK biodiesel end-sales take place. This demonstrates that HVO and FAME are capable of performing an equivalent function in a road-transport diesel engine for biodiesel's main end use.
96. The TRA has considered information provided at the PSQ stage, additional submissions (available on the [public file](#)) in relation to various uses of HVO as a non-road transport fuel for rail, agriculture and maritime applications, as well as the use of HVO as a heating oil for off grid communities. In these applications, HVO may not be interchangeable with FAME. These end-uses do not constitute the main use for either fuel, which has been determined as road transport fuel (by volume).
97. With regard to consumer interchangeability, FAME and HVO both operate under the same regulatory framework at present: the Renewable Fuel Transport Obligation (RTFO). Fossil-fuel companies may choose to meet their RTFO target by purchasing HVO or FAME to meet the same obligation. Both HVO and FAME can use identical feedstocks, and so they are equally eligible for renewable transport fuel certificates under the RTFO¹.

D4.4. Similarities in production

98. The TRA has found that FAME and HVO have different production processes. FAME is produced through transesterification, whereby fatty acids react with an alcohol, often methanol, in the presence of a catalyst. HVO is produced hydrotreating fatty acids at high temperatures and pressure to remove oxygen. It is our understanding that the UK industry only produces biodiesel through transesterification at present, using waste-origin feedstock as the main raw material and fatty acid component.

¹ [RTFO mandate list of feedstocks \(including which are single and which are double counted\)](#)



99. In terms of input similarity, feedstock as a raw material constitutes 80-90% of cost of production for both HVO and FAME. HVO and FAME are in direct competition for the supply of this fundamental raw material. The main feedstock used in the UK is UCO (Used Cooking Oil), but the UK also uses tallow category 1 and 2, acid oils contaminated with sulphur, mill-effluent residue, and fats and greases from wastewater systems among others. HVO uses the same feedstocks as FAME for production, with UCO as a primary feedstock.

D4.5. Other relevant characteristics

100. The TRA did not initially consider any further characteristics in its assessment of the likeness of FAME and HVO. However, submissions from interested parties (see [Appendix A](#)) raised areas for consideration.

101. In terms of the HS tariff codes under which HVO and FAME can enter the UK market, the TRA accepts that there are a number of distinct codes for each fuel type, FAME and HVO. However, the TRA notes that there are also a number of codes under which either FAME and/or HVO can be declared. As such, the TRA considers that the tariff treatment of these goods does distinguish between and does not indicate sufficient difference between the goods. Thus this does not change the finding that they are like goods.

D4.6. Comments received from interested parties

102. The submission from the Construction Plant-hire Association notes that there are differences in the usage of HVO and “biodiesel” in Non-Road Mobile Machinery. The submission references the different EN standards that cover each fuel type, as well as challenges using “biodiesel” at blend rates higher than B7. These issues are addressed in D4.3 and D4.2 respectively.

103. The TRA accepts that, at higher blend rates, the interchangeability between FAME and HVO decreases. However, as non-road use is not the main end use for either fuel, and as we believe the majority of sales happen at the level of fuel forecourts for road use where the products are directly interchangeable, the TRA considers the finding of FAME and HVO to be like goods is appropriate.

104. The TRA received comments from DGD and Valero on 23 September 2025 as well at a meeting on 20 October 2025 with respect to the TRA’s like goods determination for this investigation, DGD and Valero commented that in their view, HVO and FAME are fundamentally different products and cannot be considered the “like goods” because of differences in production methods, chemical composition, engine compatibility, storage, and market positioning.



105. DGD and Valero commented that they do not consider that there have been changes to properties, uses or market structure of HVO and FAME since the TRA published its final recommendations for TD0004 and TS0005 in November 2022 to justify a different position on the like goods than the position taken in those reviews.
106. DGD and Valero presented some differences between HVO and FAME to support the conclusion that these products should not be considered the like goods. These differences asserted by DGD and Valero have been separated into two categories and are outlined below.
107. Physical properties:
- a) Production method: FAME and HVO have different production processes. FAME is produced via transesterification whereas HVO is produced through hydrogenation of triglycerides or fatty acids. A factory established on the basis of FAME production would need significant investment and adaptation to be converted for HVO production.
 - b) Chemical composition: There are chemical differences between HVO and FAME with respect to oxygen content and density. These differences result in FAME demonstrating higher nitrogen oxide emissions, a higher CFPP, increased degradation and engine compatibility issues.
 - c) Engine compatibility: European diesel standard EN 590 limits FAME blends to 7% FAME by volume. HVO is a drop-in fuel which does not have the same limitation under EN 590.
 - d) Storage stability and supply chain logistics: Unlike HVO and fossil diesel, FAME has additional storage and transport requirements, as it can degrade rubber and is more susceptible to gelling or waxing in cold temperatures, potentially leading to clogged engine fuel filters. It also degrades when stored for a longer period of time.
 - e) Cetane number: HVO's cetane number is higher than that of FAME or fossil diesel.
108. Commercial and functional likeness:



109. Commercial likeness: DGD and Valero commented that HVO and FAME are not in direct competition and that the products serve different purposes as renewable road transport fuels. FAME is purchased almost exclusively to meet the RTFO, generally at B7 blend. HVO is often sold at R100 or purchased by companies looking for higher blend options, particularly UK hauliers seeking premium performance, low emissions, and winter reliability.
- a) Pricing: DGD and Valero commented that HVO and FAME do not compete on price, and that despite the current price difference, customers are consistently and increasingly willing to pay a premium to use HVO rather than use FAME. They note that the TRA previously in TD0004 and TS0005 Final Determinations published in November 2022 that the price difference between HVO and FAME prevented competition. DGD and Valero notes that there was the reduction in price difference for some months in 2024 was an anomaly that led to some companies blending HVO for Renewable Transport Fuel Certificates (RTFC).
 - b) Functional likeness: DGD and Valero comment that the differences in characteristics between HVO and FAME render them not substitutable. They also note that the use of RTFO blending over a few months of 2024 occurred solely because the HVO price briefly approached the FAME price.
110. The TRA will address DGD and Valero's statement that HVO and FAME are not like goods.
111. *First and foremost, the TRA would like to reiterate that the TRA determined that HVO and FAME were the like goods during transition reviews TD0004 and TS0005. As such, the TRA has not changed its fundamental position that HVO and FAME are the like goods. Nonetheless, TRA considers that there has been a change in pricing sufficient to justify a different position with respect to the possibility of injury to UK FAME producers than the TRA determined during those reviews.*
112. DGD and Valero commented that the gap between the higher HVO price and the lower FAME price narrowed from May to August 2024. Following this, HVO prices increased again, and suppliers made the economic decision to stop blending HVO imports for the purposes of claiming RTFCs. The TRA analysed HMRC 10-digit import data from the US and third countries constrained to import



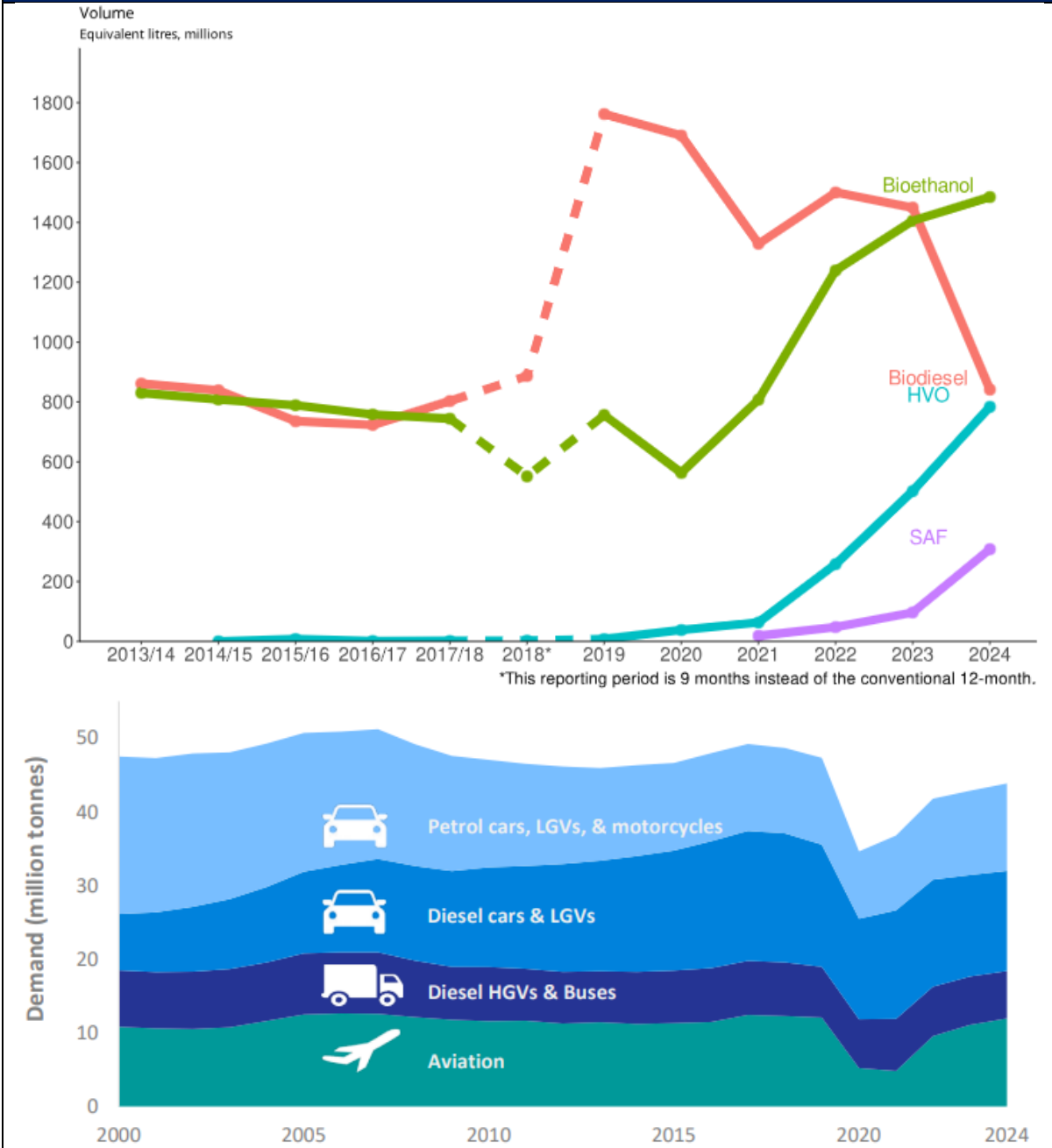
commodity codes 2710194329 and 2710194339 (see [G1.1.1 Volume of subsidised imports in absolute terms](#)). HVO can be declared under these codes and FAME cannot. We compared the HMRC 2024 HVO import price against the UK FAME sales price. We compared against both the UK FAME producers' sales price and a range of Argus ARA FAME prices across 2024. The UK biodiesel market uses Argus ARA pricing as a basis for price setting in the UK.

113. Datasets, for total imports and imports from the US, demonstrated that the HVO import price to the UK is lower than the UK FAME sales price across the POI. The UK does not produce HVO. As such, the HMRC HVO import price is a reasonable representation of the UK HVO sales price, minus domestic freight.
114. DGD and Valero framed their comments on functional likeness around a comparison between FAME as a compliance-driven product with limited functional appeal and HVO as a performance-based product with appeal as a fungible fuel for fossil diesel.
115. The TRA considers that as the price of HVO dropped from its previously recorded value seen in TD0004 and TS0005, HVO has increasingly become a viable option for meeting RTFO mandates. This is evident in the [RTFO statistics 2024: Final report](#), which states that of the 3,779m litres of verified renewable fuel supplied in 2024, 22% of this fuel was FAME while 21% was HVO. This is explicitly fuel which was awarded RTFCs. The RTFO states that HVO supply has increased significantly every year since 2021 and that supply saw “*over a 50% increase from 2023 (502 million litres eq.) verified volumes*”.



Image 2: Supply of selected renewable fuels to the UK by fuel type, financial year ending 2014 to 2024

Image 3: Annual demand for transport fuels, 2000 to 2024



Source: [Renewable Transport Fuel Obligation \(RTFO\) statistics 2024: Final report](#); [Digest of UK Energy Statistics \(DUKES\): petroleum 2025](#)

116. DGD commented that the blending of HVO into forecourt fuels in 2024 occurred solely because the HVO price briefly approached the FAME price, suggesting that it has stopped since. However, we have not received evidence to support this. Conversely, Has shown in the image above, from 2019 the supply of HVO increased significantly, whilst FAME supply decreased by 52%.



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This happened whilst RTFO mandates, which require the supply of biofuels, remained broadly unchanged, except for a decrease during the Covid-19 pandemic.

117. Whilst some HVO may be being sold at higher-blends or within performance-based road fuels, we believe the size of this market is insufficient to accommodate the increase in HVO supply. In light of this, combined with decreased FAME supply and consistent diesel consumption, the TRA considers it likely that HVO continues to be blended at forecourts where it competes directly with FAME.
118. The TRA does not dispute that there are differences between the physical and chemical characteristics of HVO and FAME and that they have different production processes albeit the same raw materials. The TRA is not required to conclude that goods are alike in all respects to find them to be like goods.
119. DGD and Valero also comment that there is no HVO production in the UK, and that this should preclude the TRA from implementing anti-dumping and anti-subsidy measures against HVO imports to the UK originating from the US. DGD and Valero quoted the Final Negative Determination with respect to imposing measures on XXXL excavators in cases AD0047 - Certain excavators from China and AS0046 – Certain excavators from China.² While it was taken into consideration that the UK did not at that time produce XXXL excavators, this was not the only factor considered that contributed to a final negative determination on XXXL excavators.
120. At that time, the TRA also determined in its Final Negative Determinations that the excavators produced by the UK industry “*were not alike in all respects to XXXL excavators from the PRC nor they do share characteristics closely resembling one another,*” and that “*XXXL excavators from the PRC have not or are not causing injury to the UK industry.*” For AS0067, the UK have determined that HVO and FAME are the like goods. The TRA has also determined that the UK industry has suffered injury during the injury period caused by the subsidised imports of the goods concerned. For these reasons, the TRA does not consider an absence of HVO production in the UK at present to preclude a determination that anti-subsidy measures should be implemented against HVO imports to the UK originating from the US.
121. DGD and Valero also commented that AS0067 and AD0068 should be terminated by the TRA on procedural grounds. DGD and Valero do not consider HVO and FAME to be like goods, and as such, do not consider the standing test

² [AS0046, Final Negative Determination](#); [AD0047 Final Negative Determination](#).



to have been met for this investigation. As the TRA does consider HVO and FAME to be like goods, as outlined in this section, it is reasonable for the TRA to determine that the application for this investigation was supported by UK producers whose collective output constitutes at least 25% of the total production in the UK of the like goods, that is to say, FAME.

D4.7. Conclusion of comparison of goods concerned and the like goods

122. The TRA accepts that there are some differences between FAME and HVO’s chemical composition and production process. In its holistic comparison the TRA has determined that the goods produced by the UK industry, although not alike in all respects, have characteristics closely resembling those of the goods in question and therefore constitute “like goods” for the purposes of paragraph 7 of Schedule 4 to the Act.

D5. Product control numbers

123. The TRA uses product control numbers (PCNs) to define and group different types of products that fall under the goods description above ([Section D1](#)).

124. PCNs are created on the basis of the main physical characteristics differentiating the types of products, providing that those characteristics have an impact on price.

125. The PCN structure used in this case can be seen in Table 2 below:

Table 2: PCN structure		
Characteristic	Symbol	Description
Type	F	FAME (fatty-acid mono-alkyl esters)
	P	Hydrotreated vegetable oil (HVO) / Paraffinic Diesel Fuel / Gasoil
Cold Filter Plugging Point (CFPP) in degrees centigrade to nearest degree	1	Higher than +9
	2	Higher than or equal to 0 but lower than or equal to +9
	3	Lower than 0 but higher than or equal to -9
	4	Lower than -9 but higher than or equal to -40
	5	Lower than -40
Feedstock	1	biodiesel from feedstocks subject to incentives (singled counted according to UK RTFO categories)



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	2	biodiesel from feedstocks subject to incentives (double counted according to UK RTFO categories)
	0	other/special purpose sold without any certificate
Form	R(100)	Pure form
	B(XX)	XX equals percentage of biodiesel blended with mineral diesel (The nearest percentage rounded down to a whole number)

126. The PCN structure was provided to interested parties and contributors for comment in the PSQs following initiation of the investigation. The PCN structure was largely accepted by the interested parties, however the following comments were made:

DGD

Raised that FAME is not included in the scope of the investigation as the goods concerned is HVO/renewable diesel/green diesel.

- Pure HVO contains 0.1% ultra-low sulphur diesel (ULSD) and therefore pure form should be represented as R99.9, instead of R100.

Valero

- Raised that FAME is not included in the scope of the investigation as the goods concerned is HVO/renewable diesel/green diesel.

Phillips 66 Ltd

- Raised that FAME and HVO are not like goods.
- Raised that there is not HVO production in the UK.
- Raised as an issue for the Economic Interest Test that HVO is the only viable option in the market to address renewable fuel targets.

Crown Oil

- Raised that FAME and HVO are not like goods due to differences in quality and use.

Mitchell and Webber

- Raised that FAME and HVO are not like goods due to the modification required to engines for FAME vs HVO use.



Concerns that measures would harm the UK and its own Renewable fuels and green emission targets.

127. The TRA noted the comments raised regarding the PCN structure, however as the TRA concluded that the goods HVO and FAME are like goods, (see [section D](#)) the structure was not changed to exclude FAME which is produced in the UK, and competes directly with imported HVO.

D6. PCN analysis

128. For the purpose of injury margin calculations, the TRA matches the PCNs produced and exported by overseas exporters into the UK with the PCNs produced by UK industry and sold on the UK market. The TRA found no PCN matches between UK and exporter data for the purposes of calculating an underselling and undercutting margin using the PCN structure outlined in Section D5. As a result, we found it necessary to make two adjustments to the categories of goods within the PCN structure, which were applied to our injury calculations to obtain a fair comparison between the goods concerned and the like goods produced and sold in the UK.

D6.1. Type F vs P comparison

129. Research and questionnaire responses have established that the average selling price for HVO is higher than the average selling price for FAME in the absence of unfair trading practices. The TRA understands that this difference in average selling price can be attributed to HVO's higher cost of production as compared to FAME's cost of production³. While both fuels conform to EN 590 diesel standard when blended for the forecourts, the quality differences between HVO and FAME (HVO has a lower CFPP and density, higher flashpoint and cetane number, and better storage stability) contribute to a closer HVO similarity to diesel and render HVO a fungible fuel, unlike FAME. This is noted in the application for this investigation, where the applicants state: "HVO and FAME can be made from different feedstocks and production pathways which impact the price, but also the quality of the fuel."⁴
130. This difference in cost of production and quality between FAME and HVO is reflected in their respective selling prices. To account for this difference, FAME and HVO have been distinguished by the Type category in the PCN structure used for AS0067. The UK industry does not currently produce HVO. As a result,

³ [The Role of Renewable Transport Fuels in Decarbonizing Road Transport](#), page 74

⁴ [Anti-Dumping and Subsidy Application – 27 January 2025](#), Page 22



we do not find PCN matches in the Type category of the PCN structure that distinguishes FAME from HVO using symbols F and P.

131. To account for this, we have determined it necessary to compare the sales price of HVO and FAME in the same market as the basis of making an adjustment to the Type category of the PCN structure. This will allow us to conduct a fair comparison between the FAME produced in the UK and the HVO imported as the goods concerned from the US. We compared the price of R100 HVO in the US against B100 FAME in the US using Argus data to derive the base price difference between HVO and FAME. We increased the UK price by this difference per litre to permit reasonable comparison between the goods concerned and the like goods sold in the UK.
132. We determined that any potential distortions from subsidies was limited because the main subsidy only applies to biodiesel that is blended, and R100 HVO is not blended.

D6.2. Blend rate comparison

133. The PCN structure differentiates between biodiesel sold in pure form and biodiesel sold blended with diesel. One of the subsidies outlined in the application for this investigation is a US subsidy known as the Blender's Tax Credit (BTC). It is our current understanding that US biodiesel producers may be eligible for up to \$1.00 per gallon of biodiesel blended with diesel. Current data from registered exporters indicates that all their sales of the goods concerned during the POI have been blended with mineral diesel, and the majority have been assigned a PCN with the form B99.
134. There is no threshold for the quantity of pure biodiesel a party is required to blend with diesel to be eligible for the BTC, and it is the TRA's understanding that US HVO producers blend the smallest possible amount of diesel in order to attract the subsidy. For exported biodiesel, there is an economic incentive to blend as little diesel as possible because it is cheaper than HVO. Therefore having the highest content of HVO in exported blends obtains the maximum benefit from the subsidy, and reduces the percentage cost of shipping compared to total cost.
135. Without the BTC there is no incentive to blend to B99 for export to the UK. FAME is blended to the customer's requirements, often to B7 for road-transport use. As a result, there are no PCN matches for blend rate between the sampled UK industry and sampled exporter sales to the UK.
136. We made the decision to adjust the UK R100 PCNs down to the price that they might have been sold at as B99. We removed 1% of the target price for the UK producers and replaced this with 1% of the unit price of the US Energy Information Administration's diesel spot price for 2024 as a benchmark.



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137. This adjustment was made only with respect to the figures used for injury margin calculations. Following this adjustment, all R100 PCNs sold to the UK have been listed in the injury calculation as a reallocated B99 sales.



Section E: The UK industry and market

E1. UK industry

138. In accordance with paragraph 6(1) of Schedule 4 of the Act, the UK industry is defined as:

- a) all the producers in the UK of like goods, or
- b) those of them whose collective output of like goods constitutes a major proportion of the total production of those goods in the UK.

139. Information provided in the application was used to establish the UK industry.

140. The TRA established that approximately 98-99% of biodiesel output in the UK is produced by the three largest UK producers. The TRA accepts that the remaining 1-2% of UK production is based around small level production, and development fuels, below the production volume to register with the RTFO.

141. These three largest UK producers are Greenergy, Argent and Olleco. Greenergy also imported HVO from the US in the POI. However, the TRA has classified it as a UK producer for the purposes of this investigation due to the low level of imports of the goods concerned, when compared to its production capacity.

142. UK producers have production centres in Teeside, Immingham, Liverpool and Ellesmere Port. A production site in Motherwell Scotland, closed on 31 May 2024, citing the effects of subsidised renewable diesel from the US as one of the reasons for closure.⁵

143. Greenergy and Argent constituted 91% of UK production of the like goods and therefore a major proportion of the UK's total production. The TRA defined these two producers as the UK industry for the purposes of making a determination with respect to injury in this investigation.

144. The UK industry produced 340,000,000 – 410,000,000 litres during the POI (ranged due to confidentiality).

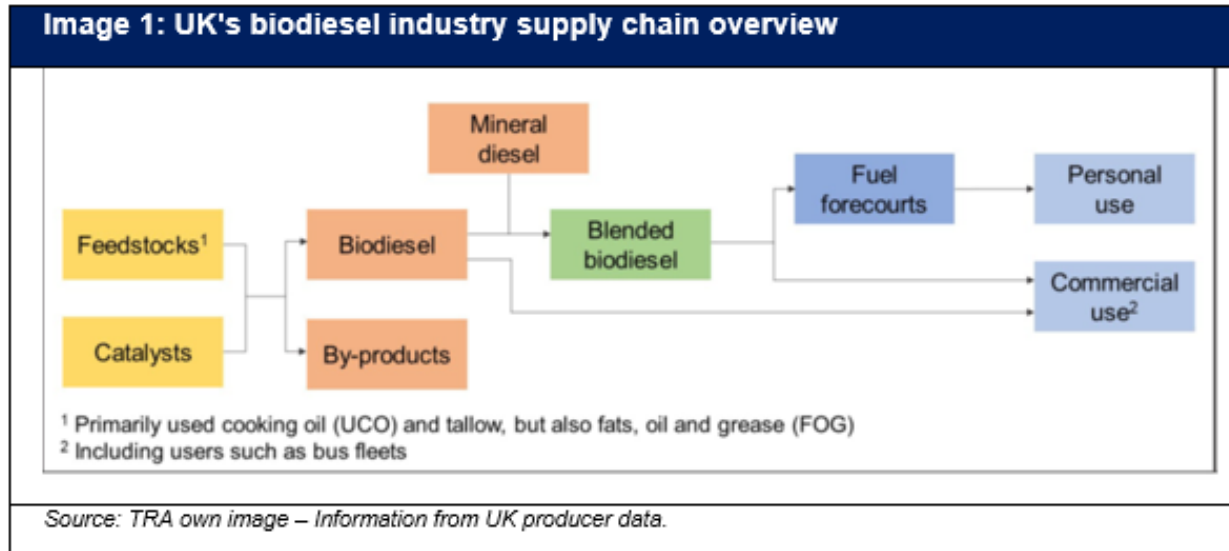
E2. UK market

145. In the UK biodiesel market, the purchase of biodiesel is subject to UK government incentives through the RTFO framework. Most biodiesel is blended

⁵ [Argent Energy proposes to end production at its biodiesel plant in Scotland | Argent Energy](#)



at specific blend rates with mineral diesel (diesel) and used in road transport, see the supply chain image 1.



146. Biodiesel is often sold via traders, who either sell it domestically or export it. It is possible to claim RTFC from the UK government once biodiesel is supplied for use in the UK, for the main purpose of road fuel, and the RTFCs themselves have commercial value.
147. In respect of consumption, the Department for Transport (DfT) publishes data on total UK consumption of biodiesel that is gathered as part of its RTFO scheme. According to this data, total UK consumption of biodiesel during the POI was 127,202,195 mt / 1,630,732,146 litres. Table 3 below shows the trend over the injury period and POI.
148. The TRA has indexed all volume tables in this report to Year 2, to provide trends that are not affected by previous measures against HVO during year 1 of the injury period (see section H1.1 – Volume of subsidised imports).



Table 3: Consumption of biofuel in the UK in litres

	Year one	Year two	Year three	POI
	2021	2022	2023	2024
UK Consumption Biodiesel (incl HVO & FAME) Total Litres	1,394,324,370	1,763,412,196	1,958,872,714	1,630,732,146
UK Consumption Biodiesel (incl HVO & FAME) Indexed to year 2	79	100	111	92
UK Consumption of HVO total litres	63,053,160	262,536,870	505,896,064	787,829,538
UK Consumption of HVO Indexed to year 2	24	100	193	300
UK production (FAME) Indexed to year 2	105	100	97	79

Source: RTFO consumption data, Confidential UK questionnaire data

149. Biodiesel produced in the UK competes directly with biodiesel imported from other countries. HMRC Overseas Trade in Goods Statistics (OTS) indicates that there were increasing imports from the US during the injury period and POI, as well as the PRC.

E3. Upstream and downstream industries

150. Image 1 shows that upstream of biodiesel production is feedstocks and catalysts. Upstream industry therefore consists of used cooking oil collectors, waste oils/fats collectors as well as chemical producers in respect of the catalysts.

151. The product produced in an unblended form has two main pathways to market, direct sales to end users, in the UK this is made up largely of commercial and public service vehicle operators / fleet operators. The other sales stream for unblended fuel is fuel blenders, such as mainstream fuel companies, as well as local distributors.

152. On the blended fuel side, downstream industries consist of forecourt suppliers such as supermarkets / mainstream fuel companies, local distributors, independent fuel stations, and direct sales to commercial and public service vehicle operators / fleet operators.



Section F: Subsidy

153. In accordance with paragraph 3(3) of Schedule 4 of the Act, a subsidy is deemed to exist if there is either:

- a) a financial contribution by a foreign authority which confers a benefit on the recipient (usually an industry or business manufacturing goods); or
- b) a form of income or price support within the meaning of Article XVI of the General Agreement on Tariffs and Trade 1994 (part of Annex 1A to the WTO Agreement) received from a foreign authority which confers a benefit on the recipient.

154. In accordance with paragraph 3(2) of Schedule 4 of the Act, a subsidy is countervailable (i.e., capable of being offset through a trade remedy) if it is specific (rather than general) and when it is granted either directly or indirectly for the manufacture, production, export or transport of goods.

155. This section will outline:

- the alleged subsidy schemes that the TRA has considered;
- the TRA's assessment of the countervailability of those subsidies, including:
 - whether there is a financial contribution by a foreign authority;
 - whether that financial contribution confers a benefit; and
 - where a subsidy has been found to exist, whether it is specific in nature;
- the methodology for determining the amount of subsidy attributable to the goods concerned in the POI for each subsidy determined to be countervailable; and
- the individual and non-sampled subsidy amounts applicable to participating overseas exporters and overseas producers, and the residual subsidy amount.

F1. Background

156. The Applicant has alleged that exporters of HVO in the US have benefitted from subsidies granted to them by the Federal Government of the US and/or State Governments of the US as outlined in Table 4 below.



Table 4: Subsidy programmes

Federal schemes	
1	Biodiesel Mixture Credit (otherwise referred to as the Blender's Tax Credit (BTC))
2	Clean Fuel Production Credit (otherwise referred to as the Producer's Tax Credit (PTC))
3	Biodiesel Credit
4	Second Generation Biofuel Producer Credit
5	USDA Bioenergy Programme for Advanced Biofuels (BPAB)/Advanced Biofuels Payment Program
6	USDA Higher Blends Infrastructure Incentive Programme (HBIIIP)
7	The Biomass Crop Assistance Program (BCAP)
8	The Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (BPMAP)
9	US Environmental Protection Agency (EPA) and Department of Energy (DOE) funding to support development of advanced biofuels
10	Alternative Fuel Infrastructure Tax Credit
11	US Department of Energy Funding to Accelerate Domestic Biofuel Production
State schemes	
12	Missouri Qualified Biodiesel Producer Incentive Fund
13	Missouri Biodiesel Producer Tax Credit
14	Texas Fuel Ethanol, Renewable Methane, Biodiesel and Renewable Diesel Production Incentive Programme
15	Texas Biofuel Blend Tax Exemption
16	Washington State Biofuels Production Tax Exemption
17	Florida Biofuels Investment Tax Credit
18	Iowa Biodiesel Producer Tax Refund
19	Kansas Qualified Biodiesel Fuel Producer Incentive
20	Kentucky Biodiesel Production Tax Credit
21	North Dakota Biodiesel and Renewable Diesel (HVO) Blender Tax Credit
22	North Dakota Biodiesel and Renewable Diesel (HVO) Sales Equipment Tax Credit
23	North Dakota Biodiesel and Renewable Production and Blending Equipment Tax Credit
24	North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantees and North Dakota Advanced Biofuel Incentives
25	North Dakota Biofuel Loan/PACE Programme
26	California Alternative Fuel and Vehicle Incentives (otherwise referred to as the Clean Transportation Programme)



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27	Oregon Production Property Tax Exemption (as part of the Rural Renewable Energy Development RRED Zone)
28	Michigan Incentive Programme for In-State Sale and Production of Biodiesel
29	Montana Biodiesel Blending (and Storage) Tax Credit
	Other
30	US Free trade zones (specific) – import duty elimination on UCO



F2. Subsidies found to be countervailable

157. The TRA found that the following subsidies are countervailable (Table 5):

Table 5: Subsidies	
1	1 - Biodiesel Mixture Credit (otherwise referred to as the Blender's Tax Credit (BTC)).
3	Biodiesel credit.
21	North Dakota Biodiesel and Renewable Diesel (HVO) Blender Tax Credit

158. U.S Code Title 26 IRC, Section 40A⁶ (Section 40A) is comprised of three tax credits:

- The biodiesel mixture credit;
- the biodiesel credit; and
- the small agri-biodiesel producer credit.

159. Section F2.1 below discusses the biodiesel mixture credit, and section F2.2 below discusses the biodiesel credit. As set out under Section 40A (f) renewable diesel [HVO] is treated like biodiesel, with the exception of the 40A (b)(4) the small agri-biodiesel producer credit. Given HVO is not eligible for the small agri-biodiesel producer credit the TRA has not considered the small agri-biodiesel producer credit further at this stage.

160. The TRA received comments from the US Trade Representative, DGD and Valero that due to the U.S. Biodiesel Mixture Credit, commonly known as the "Blender's Tax Credit" (BTC), being discontinued on 1 January 2025 by the Inflation Reduction Act of 2022, the TRA should immediately terminate the subsidy case.

161. DGD and Valero acknowledge that since the BTC was discontinued, the Clean Fuel Production Credit (CFPC or 45Z PTC) has been enacted within the US. DGD and Valero state that the requirements of receiving each credit differ, as the BTC provided \$1.00 per gallon credit to entities that blended FAME or HVO in the US, whereas the 45Z PTC is a production tax credit that is determined by the lifecycle GHG emissions of the fuel produced and includes further requirements to qualify for the full credit amount. The new subsidy is addressed at F4.1.

F2.1 Biodiesel mixture credit

⁶ [U.S Code Title 26 Internal Revenue Code, Section 40A](#)



162. In this section we have examined whether the biodiesel mixture credit constitutes a countervailable subsidy.

F2.1.1 Financial contribution by a foreign authority

163. As set out under Section 40A (b) (1) (A)⁷ the biodiesel mixture credit is a \$1.00 credit for each US gallon of biodiesel (or renewable diesel) used to produce a qualified mixture. This credit is commonly known as the ‘Blender’s Tax Credit’ (BTC). Exporters registered to the investigation have confirmed this subsidy was claimed by them during the POI.

164. The incentives under Section 40A must first be taken as a credit against the blender’s fuel tax liability; any excess over this tax liability may be claimed as a direct payment from the IRS.⁸

165. The incentives under Section 40A represent tax revenue foregone that normally would have been paid to the IRS.

166. As stated on its website, the IRS is a bureau of the Department of the Treasury. It is organised to carry out the responsibilities of the Secretary of the Treasury under section 7801 of the IRC.⁹

167. As the central government of the U.S, the IRS constitutes a foreign authority, within the meaning of paragraph 3(4) of Schedule 4 to the Act.

F2.1.2 Benefit conferred

168. The TRA considered whether the financial contribution by a foreign authority conferred a benefit in accordance with regulation 21 of the Regulations.

169. The TRA considers that the \$1.00 biodiesel mixture credit reduces the tax liability of a company, increasing resources available to it. The difference between the tax liability with and without the tax credit is \$1 being the amount of the tax credit and this constitutes the benefit conferred by the programme, in accordance with regulation 21(1) of the Regulations.

170. The amount of benefit conferred to Diamond Green Diesel LLC, St Bernards Renewable LLC, and Phillips 66 Company can be seen under F2.1.4 Amount of subsidy.

171. During the POI, the biodiesel mixture credit was available for the registered exporters to claim, for the duration of the POI. The TRA understands that the biodiesel mixture credit was to end on 1 January 2025. The TRA is aware that

⁷ [Section 40A \(b\) \(1\) \(A\)](#)

⁸ [Alternative Fuels Data Center: Inflation Reduction Act of 2022](#)

⁹ [The agency, its mission and statutory authority | Internal Revenue Service](#)



there are two US bills that have been put before congress to try to lengthen the biodiesel mixture credit for 12 months and 24 months respectively.

F2.1.3 Specificity

172. The TRA considered whether the biodiesel mixture credit under Section 40A is specific, in accordance with regulation 22 of the Regulations.
173. We consider that the IRC provides evidence that the provision of the biodiesel mixture credit is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, which include blenders of biodiesel and renewable diesel in the U.S., in accordance with regulation 22(2)(a) of the Regulations.

F2.1.4 Amount of subsidy

174. For the purposes of the SEF the amount of subsidy has been calculated using the data submitted by the exporters in their questionnaires and additional evidence provided during verification.
175. The TRA has calculated the amount of subsidy attributable to the subsidised imports in accordance with regulation 23 of the Regulations.
176. In order to do so, the TRA determined the total benefit conferred by the subsidy, in accordance with regulation 24 of the Regulations, the amount of countervailable subsidy attributable to the POI in accordance with regulation 25 of the Regulations, and the goods the subsidy is attributable to, in accordance with regulation 26 of the Regulations.
177. For each exporter, the TRA calculated the total amount of subsidy by taking the total HVO export sales to the UK and converting it to US gallons. The TRA then applied \$1.00 per US gallon as the total benefit conferred.
178. The TRA then deducted the costs necessarily incurred to qualify for or obtain the countervailable subsidy in accordance with regulation 24(3)(a).
179. Based on data from exporters registered to the case, the cost deducted was calculated as the cost of 1% mineral diesel that was blended with HVO in order to be eligible for the blenders tax credit.
180. The total amount of subsidy was taken from the POI, and on the relevant goods, in accordance with regulation 25 and 26 of the Regulations.
181. To calculate the subsidy amount the TRA divided the total amount of subsidy by the total sales value of the UK export sales of the relevant goods during the POI.



Table 6: Subsidy amounts for biodiesel mixture credit

Exporter/Overseas producer	Subsidy amount
Diamond Green Diesel LLC	23.80%
Phillips 66 Company	24.41%
St Bernards Renewable LLC	26.02%
All other overseas exporters (residual amount)	25.97%

F2.2 Biodiesel Credit

182. In this section we have examined whether the biodiesel credit constitutes a countervailable subsidy.

F2.2.1 Financial contribution by a foreign authority

183. Set out under Section 40A (b) (2) (A) the biodiesel credit is a \$1.00 credit for each US gallon of biodiesel (or renewable diesel) that is not a biodiesel mixture with diesel fuel, which is used by the taxpayer as a fuel in a trade or business or is sold by the taxpayer at retail.

184. The incentive under Section 40A represents tax revenue foregone that normally would have been paid to the IRS.

185. As stated on its website, the IRS is a bureau of the Department of the Treasury. It is organised to carry out the responsibilities of the Secretary of the Treasury under section 7801 of the IRC.¹⁰

186. As the central government of the U.S, the IRS constitutes a foreign authority, within the meaning of paragraph 3(4) of Schedule 4 to the Act.

F2.2.2 Benefit conferred

187. The TRA considered whether the financial contribution by a foreign authority conferred a benefit in accordance with regulation 21 of the Regulations.

188. The TRA considers that the \$1.00 biodiesel mixture credit reduces the tax liability of a company, increasing resources available to it. The difference between the tax liability with and without the tax credit is \$1 being the amount of the tax credit and this constitutes the benefit conferred by the programme, in accordance with regulation 21(1) of the Regulations.

F2.2.3 Specificity

¹⁰ [The agency, its mission and statutory authority | Internal Revenue Service](#)



189. The TRA considered whether the biodiesel credit under Section 40A is specific, in accordance with regulation 22 of the Regulations.
190. In accordance with regulation 22(2)(a) of the Regulations we consider that the legal provisions provide evidence that the provision of the biodiesel credit is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, (those using biodiesel (or renewable diesel) that is not a mixture, as a fuel in a trade or business or sold at retail.

F2.2.4 Amount of subsidy

191. The USTR state in its questionnaire response that the biodiesel mixture credit and biodiesel credit are the same program, and that only one credit (under Section 40A) could have been claimed for any amount of HVO.
192. As none of the cooperating overseas exporters were in receipt of the biodiesel credit, an amount of subsidy has not been calculated.

F2.3 North Dakota Biodiesel and Renewable Diesel (HVO) Blender Tax Credit

193. North Dakota Century Code 57-38-01.22 comprises of an income tax credit for blending of biodiesel fuel or green diesel fuel.¹¹
194. For the purposes of North Dakota Century Code 57-38-01.22, "biodiesel fuel" and "green diesel fuel" mean fuel as defined in North Dakota Century Code 57-43.2-01.
195. As set out under paragraph 13 of North Dakota Century Code 57-43.2-01 "Green diesel" means a fuel produced from non-fossil renewable resources, including agricultural or silvicultural plants, animal fats, residue, and waste generated from the production, processing, and marketing of agricultural products, silvicultural products, and other renewable resources, which meets applicable American society for testing and materials specifications. **Error! Bookmark not defined.**
196. We have examined whether this tax credit constitutes a countervailable subsidy.

F2.3.1 Financial contribution by a foreign authority

197. As set out under North Dakota Century Code 57-38-01.22 "A fuel supplier licensed pursuant to section 57-43.2-05 who blends biodiesel fuel or green diesel fuel in this state is entitled to a credit against tax liability determined under

¹¹ [Century Code | North Dakota Legislative Branch](#)



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section 57-38-30 or 57-38-30.3 in the amount of five cents per US gallon [3.79 litres] of biodiesel fuel or green diesel fuel of at least five percent blend, otherwise known as B5.”

198. “The credit under this section may not exceed the taxpayer's liability as determined under this chapter for the taxable year and each year's unused credit amount may be carried forward for up to five taxable years.”
199. The credit under North Dakota Century Code 57-38-01.22 represents tax revenue foregone that normally would have been paid to the North Dakota Office of State Tax Commissioner.
200. The North Dakota Office of State Tax Commissioner is responsible for administering the tax laws of North Dakota and consists of six divisions, including the tax administration division. The tax administration division administers individual income, corporate income, sales and use, motor fuels, oil and gas gross production, oil extraction, alcoholic beverages, tobacco products, estate, special taxes, telecommunications gross receipts tax, applicable local option taxes, and the collection of delinquent taxes.
201. As a state government agency, the North Dakota Office of the State Tax Commissioner constitutes a foreign authority, within the meaning of paragraph 3(4) of Schedule 4 to the Act.

F2.3.2 Benefit conferred

202. The TRA considered whether the financial contribution by a foreign authority conferred a benefit in accordance with regulation 21 of the Regulations.
203. The TRA considers that the five cents per US gallon tax credit reduces the tax rate paid by a company, increasing the resources available to it. The difference between the five cents tax credit and the five cents tax that would be paid by companies not utilising the tax credit, constitutes the benefit conferred by the programme, in accordance with regulation 21(1) of the Regulations.

F2.3.3 Specificity

204. The TRA considered whether the tax credits under North Dakota Century Code 57-38-01.22 were specific, in accordance with regulation 22 of the Regulations.
205. We consider that the North Dakota Century Code provides evidence that the provision of the tax credit is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, which include fuel suppliers (licensed pursuant to section 57-43.2-05) who blend biodiesel fuel or green diesel fuel in North Dakota.



F2.3.4 Amount of subsidy

206. None of the participating overseas exporters are located in North Dakota or have production facilities in North Dakota. None of the cooperating overseas exporters has any associated parties located in North Dakota.

207. None of the participating importers in the UK had suppliers of HVO located in North Dakota during the POI. Data gathered from known US exporters of HVO and an Argus subscription service has evidenced that there are no HVO production facilities located in North Dakota. The TRA has therefore not considered this subsidy further in relation to the residual rate.



F3. Volume of subsidised goods

208. Under regulation 5(2) of the Regulations, the volume of subsidised imports is “negligible” where the exporting country is not a developing country, and the exports account for less than 3% of imports of the like goods imported into the UK. Under regulation 5(3) of the Regulations, the volume of subsidised imports is “negligible” where the exporting country is a developing country, and the exports account for less than 4% of imports of the like goods imported into the UK.

209. The US is not a developing country.¹² Official HMRC statistics show that exports from the US accounted for more than 3% of imports of the like goods imported into the UK during the POI. Table 11.1 shows US exports represented in excess of 30% of imports of HVO into the UK in the POI. The TRA has therefore determined that the volume of subsidised imports is not negligible under the meaning of regulation 5(2) of the Regulations.

F4 Subsidies not in place during the period of investigation

210. The TRA found that the following subsidies, were either:

- not in place during the POI;
- not funded during the POI;
- or have no benefit attributable to the POI.

Table 7: Subsidies not in place during the POI

2	Clean Fuel Production Credit
7	The Biomass Crop Assistance Program (BCAP)
8	The Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (BPMAP)
9	US Environmental Protection Agency (EPA) and Department of Energy (DOE) funding to support development of advanced biofuels
11	US Department of Energy Funding to Accelerate Domestic Biofuel Production
12	Missouri Qualified Biodiesel Producer Incentive Fund
14	Texas Fuel Ethanol, Renewable Methane, Biodiesel and Renewable Diesel Production Incentive Programme
16	Washington State Biofuels Production Tax Exemption
17	Florida Biofuels Investment Tax Credit
19	Kansas Qualified Biodiesel Fuel Producer Incentive

¹² [Countries defined as developing by the OECD - GOV.UK](https://www.gov.uk/government/collections/countries-defined-as-developing-by-the-oecd)



28	Michigan Incentive Programme for In-State Sale and Production of Biodiesel
29	Montana Biodiesel Blending (and Storage) Tax Credit

F4.1 Clean Fuel Production Credit (CFPC)

211. Title 26 of the United States Code¹³ (26 USC) contains the US Internal Revenue Code of 1986 (IRC). Written in to the IRC is section 45Z, which provides an income tax credit for clean transportation fuel produced domestically after December 31, 2024, and sold by December 31, 2027. The income tax credit is for the domestic production of clean transportation fuel, which is divided into two broad categories:

- sustainable aviation fuel (SAF) and
- non-SAF transportation fuel.

A taxpayer cannot claim a CFPC unless they are registered as a producer of clean fuel at the time of production.

212. The tax credit is equal to up to \$1 per US gallon produced but must have been produced at a US qualified facility, during the tax year sold, and will be determined by the emissions factor for such fuel as determined under the code.

213. The US Trade Representative identified the CFPC as a replacement program to the BTC in its [questionnaire response](#) published on the 26 June 2025.

214. All three US exporters (DGD, SBR, P66) confirmed that they had registered for the CFPC.

215. As the CFPC started after the POI, (2 January 2025) the TRA has not been able to obtain any verifiable data on the benefit the CFPC provides, and it has not been taken into account when calculating the subsidy margin within the POI. We have taken the existence of the CFPC into consideration when recommending implementation of measures as the CFPC has been referred to as a replacement program for the BTC.

F4.2 The Biomass Crop Assistance Program (BCAP)

216. The U.S. Department of Agriculture (USDA) Biomass Crop Assistance Program (BCAP) provides financial assistance to landowners and operators that establish, produce, and deliver biomass feedstock crops for advanced biofuel production facilities.

217. BCAP's funding is subject to congressional appropriations. The office of the United States Trade Representative (USTR) states that Congress has not

¹³ [The United States Code](#)



appropriated funding for BCAP since financial year 2017 (1 October 2016, to 30 September 2017).¹⁴

218. The 2018 Farm Bill confirms that BCAP received no mandatory funding or discretionary funding in financial year 2024 (1 October 2023 to 30 September 2024)¹⁵ which covers the first nine months of the POI. Whilst there is no available information specifically on BCAP funding in financial year 2025 (1 October 2024 to 30 September 2025), there is no mention of this program in the USDA 2025 budget summary.¹⁶ As the program was not funded during the POI, the TRA has not considered it further.

F4.3 The Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (BPMAP)

219. The U.S. Department of Agriculture (USDA) Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (BPMAP) provides loan guarantees up to \$250 million to assist in the development, construction, and retrofitting of new and emerging technologies, including advanced biofuels.

220. BPMAP program's funding is subject to congressional appropriations. The USTR states that whilst Congress did appropriate mandatory funding for the calendar year 2020, no funding was issued during 2022 or 2023, and no guarantees were provided during the POI (2024).¹⁷

221. The 2018 Farm Bill confirms that BPMAP received no mandatory funding or discretionary funding in financial year 2024.¹⁸ Questionnaires from the participating exporters state they did not claim funding or have guarantees in place during the POI. Given that there is no evidence of funding delivering a benefit during the POI, the TRA has not considered it further at this stage.

F4.4 US Environmental Protection Agency (EPA) and Department of Energy funding to support development of advanced biofuels

222. On 16 August 2022 a budget reconciliation measure commonly referred to as the 'Inflation Reduction Act of 2022' (IRA) was signed, including provisions intended to directly or indirectly address issues related to climate change.¹⁹

223. The IRA authorised funding to the US Environmental Protection Agency (EPA) for new grants to industry in advanced biofuels. The EPA and US

¹⁴ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

¹⁵ [Overview of the 2018 Farm Bill Energy Title Programs | Congress.gov | Library of Congress](#)

¹⁶ [2025 Budget Summary](#)

¹⁷ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

¹⁸ [Overview of the 2018 Farm Bill Energy Title Programs | Congress.gov | Library of Congress](#)

¹⁹ [Overview of the IRA of 2022](#)



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Department of Energy Bioenergy Technologies Office (BETO) jointly managed this funding opportunity which opened for applications during the POI (2024).

224. On 08 January 2025, the EPA and BETO jointly announced \$6 million in funding under this program for three projects intended to help support biofuel research and development. Located in three states, none of the recipients of funding were exporters registered to the investigation.²⁰

225. The USTR states that no projects were granted funds during the POI, and that no additional funding opportunities have been announced or are planned under this program.²¹ Given that there is no evidence of funding delivering a benefit during the POI, the TRA has not considered it further at this stage.

F4.5 US Department of Energy Funding to Accelerate Domestic Biofuel Production

226. During 2022 the US Department of Energy (DOE) released a funding opportunity announcement intended to support and accelerate the production of biofuels for America's transportation and manufacturing needs. The deadline for applications was 9 September 2022.²²

227. On the 26 January 2023 BETO awarded \$118 million for 17 projects, but none of the recipients of funding were exporters registered to the investigation.²³

228. The USTR states that no projects were granted funds during the POI, and that no additional funding opportunities have been announced or are planned under this program.²⁴ The program was closed during 2023 and given that there is no evidence of funding delivering a benefit during the POI, the TRA has not considered it further at this stage.²⁵

F4.6 Missouri Qualified Biodiesel Producer Incentive Fund

229. The Missouri Qualified Biodiesel Producer Incentive Fund was created in 2002, pursuant to the 'Missouri Revisor of Statutes', chapter 142.031.²⁶ This program provided monthly grants to qualified Missouri biodiesel producers who were actively engaged in agricultural production for commercial purposes.

230. The grants were available for a maximum of 60 months at a rate of \$0.30 per US gallon for the first 15 million US gallons and \$0.10 per US gallon for the next 15 million US gallons of biodiesel produced each fiscal year from feedstock originating in Missouri, up to \$6 million per producer per fiscal year.

²⁰ [US EPA & BETO joint funding announcement](#)

²¹ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

²² [DOE Funding Opportunity Announcement](#)

²³ [BETO funding announcement](#)

²⁴ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

²⁵ [BETO closed funding opportunities](#)

²⁶ [Missouri Revisor of Statutes, chapter 142.031](#)



231. The USTR states that grants were not available during the POI.²⁷
232. No exporters who have registered to the investigation own HVO production facilities located in Missouri. In addition, the awarding of grants stopped on 31 December 2009 and the program expired on 31 December 2015.²⁸ Therefore, the TRA has not considered it further.

F4.7 Texas Fuel Ethanol, Renewable Methane, Biodiesel and Renewable Diesel Production Incentive Programme

233. Under the State of Texas Agricultural Code, Title 2, Chapter 16, qualified producers may be eligible for a grant of \$0.20 for each US gallon of ethanol, biodiesel, or renewable diesel, or \$0.20 for each MMBtu of renewable methane, produced from renewable resources. To participate, producers must pay a fee of \$0.032 per US gallon of liquid fuel or MMBtu of gaseous fuel produced at each registered production facility. The grant is available to registered producers for up to 18 million US gallons or MMBtu per fiscal year at any one production facility.²⁹
234. According to the US DOE funding for this grant program was discontinued in September 2007 and no subsequent actions have been taken to reinstate funding.²⁹
235. The USTRA provided further context in its questionnaire response: “The Program is codified in the State of Texas Agricultural Code, Title 2, Chapter 16. It was originally created in 2003. In 2007, the Texas Legislature transferred the administration of the Program from the Texas Economic Development and Tourism Office to the Texas Department of Agriculture (TDA). Furthermore, in 2009, the Texas Legislature passed two bills amending Chapter 16. This inadvertently resulted in conflicting language between fee schedules and grant payout structures. These inconsistencies must be corrected through the legislative process before the Program can be utilized. Absent a statutory change, the program will continue to be unfunded and unused.”
236. As the programme was not funded during the POI, the TRA has not considered it further.

F4.8 Washington State Biofuels Production Tax Exemption

237. The Washington State Biofuels Production Tax Exemption provided eligible biofuel production facilities with exemptions from certain states taxes, including sales and use tax, leasehold excise tax, and property tax, for a period of up to six years.

²⁷ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

²⁸ [DOE Alternative Fuels Data Centre, expiry of program](#)

²⁹ [Alternative Fuels Data Center: Renewable Fuel Production Grants](#)



238. The exemption program is no longer in operation, expiring on 31 December 2015, applications were required to be submitted by that date. The TRA has therefore not considered this subsidy further.

F4.9 Florida Biofuels Investment Tax Credit

239. The Florida Biofuels Investment Tax Credit provided an income tax credit for 75% of all capital, operation, maintenance, and research and development costs incurred in connection with an investment in the production, storage, and distribution of biodiesel, ethanol, or other renewable fuel in the state.³⁰

240. As set out under 2016 Florida Statutes, Title XIV, Chapter 220, Section 192³¹ “Credits may be used in tax years beginning January 1, 2013, and ending December 31, 2016, after which the credit shall expire. If the credit is not fully used in any one tax year because of insufficient tax liability on the part of the corporation, the unused amount may be carried forward and used in tax years beginning January 1, 2013, and ending December 31, 2018, after which the credit carryover expires and may not be used.”

241. As the Florida Biofuels Investment Tax Credit was not in place POI, and had no carry over into the POI, the TRA has not considered it further.

F4.10 Kansas Qualified Biodiesel Fuel Producer Incentive

242. Under the Kansas Biodiesel Production Incentive (funded from the Kansas Qualified Biodiesel Fuel Producer Incentive fund), qualified Kansas biodiesel producers were eligible for a production incentive of \$0.30 per US gallon of biodiesel sold.

243. As set out under Kansas State Legislature 79-34-159 this incentive expired on July 1, 2016.³² Kansas State Legislature makes no provision for carry over of this incentive. The TRA has therefore not considered it further.

F4.11 Michigan incentive program for in-state sale and production biodiesel

244. On 27 June 2023, House Bill (HB) 4847 was introduced³³, which would provide incentives for the sale and production of biodiesel in Michigan. HB 4847 was referred to the Tax Policy Committee³⁴, however has not moved past this stage.

³⁰ [Alternative Fuels Data Center: Biofuels Investment Tax Credit](#)

³¹ [Chapter 220 Section 192 - 2016 Florida Statutes - The Florida Senate](#)

³² [Alternative Fuels Data Center: Biodiesel Production Incentive](#) and [Statute | Kansas State Legislature](#)

³³ [MI HB4847 | 2023-2024 | 102nd Legislature | LegiScan](#)

³⁴ [Committee Bill Records - Michigan Legislature](#)



245. This was confirmed by the USTR in its questionnaire response, who state that it never became law, and as such, it never entered into force.³⁵

F4.12 Montana Biodiesel Blending (and Storage) Tax Credit

246. Any small individual, corporation, partnership or small business paying taxes in Montana was able to apply for a tax credit on the costs of investments in depreciable property for storing or blending biodiesel with petroleum diesel for sale.

247. 15% of the costs could be claimed, up to \$52,500 for special fuel distributors and \$7,500 for owners or operators of a motor fuel outlet.

248. According to the Montana Department of Revenue, this credit was repealed by the 2021 Montana State Legislature and could not be claimed after Tax Year 2021.³⁶ This was confirmed by the USTR in its questionnaire response.³⁷

249. The Montana Department of Revenue states that any remaining tax credit can be carried forward up to seven years.³⁸ However given the maximum amounts that could be claimed, any carry over during the injury period or POI would be immaterial, and the TRA has not considered the subsidy further.

F5. Subsidies that are not applicable to this investigation

250. The TRA found that the following subsidies were either;

- not claimed by producers of HVO;
- did not apply to HVO; or
- are not deemed to be a subsidy.

Table 8: Subsidies that are not applicable to this investigation

4	Second Generation Biofuel Producer Credit
5	USDA Bioenergy Programme for Advanced Biofuels (BPAB)/Advanced Biofuels Payment Program
6	USDA Higher Blends Infrastructure Incentive Program (HBIIP)
10	Alternative Fuels Infrastructure Tax Credit
13	Missouri Biodiesel Producer Tax Credit
15	Texas Biofuel Blend Tax Exemption
18	Iowa Biodiesel Producer Tax Refund
20	Kentucky Biodiesel Production Tax Credit
22	North Dakota Biodiesel and Renewable Diesel (HVO) Sales Equipment Tax Credit

³⁵ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

³⁶ [Biodiesel Blending and Storage Credit \(Form BBSC\)](#)

³⁷ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

³⁸ [Biodiesel Blending and Storage Credit \(Form BBSC\)](#)



23	North Dakota Biodiesel and Renewable Production and Blending Equipment Tax Credit
24	North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantees and North Dakota Advanced Biofuel Incentives
25	North Dakota Biofuel Loan/PACE Programme
26	California Alternative Fuel and Vehicle Incentives (otherwise referred to as the Clean Transportation Programme)
27	Oregon Production Property Tax Exemption (as part of the Rural Renewable Energy Development RRED Zone)
30	US Foreign trade zones – import duty elimination on UCO

F5.1 Second Generation Biofuel Producer Credit

251. The Second Generation Biofuel Producer Credit (SGBPC) was a non-refundable income tax credit allowed under 26 U.S.C §§ 38 and 40.³⁹ It was claimed by eligible producers at a rate of up to \$1.01 per US gallon of qualified second generation biofuel produced. This program was available during the POI but expired on 31 December 2024.⁴⁰

252. To qualify for the SGBPC the feedstock used had to be lignocellulosic or hemicellulosic matter available on a renewable basis or any cultivated algae, cyanobacteria, or lemna. The TRA has obtained data from Argus (under subscription) evidencing that feedstock used at the production facilities for exporters registered to the case did not qualify for the SGBPC.

253. Questionnaires from the participating exporters state they did not claim the SGBPC, and the TRA was presented with confidential data regarding feedstocks used. Having considered all the evidence, the TRA is satisfied this program is not applicable to the investigation.

F5.2 USDA Bioenergy Programme for Advanced Biofuels (BPAB)/Advanced Biofuels Payment Program

254. The USDA Bioenergy Programme for Advanced Biofuels (BPAB)⁴¹, alternatively known as the Advanced Biofuels Payment Program, aims to increase the production of advanced biofuels. Any entity that produces and sells advanced biofuel is eligible to apply for funds under the program, although an entity that blends or otherwise combines advanced biofuels into a blended biofuel is not eligible.

255. The BPAB was originally authorised in the Food, Conservation, and Energy Act of 2008 (Public Law 110-234)⁴² and the statutory authority is Title 7 USC

³⁹ [Exhibit USA-21 – 26 U.S.C §§ 38 and 40](#)

⁴⁰ [IRS reinstatement and extension of SGBPC](#)

⁴¹ [USDA BPAB](#)

⁴² [PL 110-234](#)



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8105.⁴³ BPAB was in force during the POI and continues to be in force through fiscal year 2025. Full details about the regulations implementing the BPAB can also be found in the Code of Federal Regulations (CFR), Part 4288, Subpart B.⁴⁴

256. Questionnaires from participating exporters state they did not claim the BPAB, which the TRA examined as part of its verification activities. The TRA found no evidence during verification activities that exporters claimed the BPAB during the POI. The TRA has not considered this program further.

F5.3 USDA Higher Blends Infrastructure Incentive Program (HBIIP)

257. The USDA Higher Blends Infrastructure Incentive Program (HBIIP) was designed to increase the availability of higher blends of ethanol, such as E15 and biodiesel (B20).⁴⁵

258. As part of its verification activity the TRA received confidential information that a participating exporter's associated company was in receipt of a grant under the HBIIP. However, the purpose of the grant was to convert sites to be able to sell ethanol (E85) and not related to the production or sales of HVO.

259. As set out under the Federal Register Notice of Funding Opportunity for the HBIIP for Fiscal Years 2023 and 2024⁴⁶ ineligible project costs for HBIIP projects include renewable diesel [HVO] projects.

260. The USTR confirmed in its questionnaire response that HVO is not eligible for this initiative.¹⁴ The TRA has therefore not considered this subsidy further.

F5.4 Alternative Fuel Infrastructure Tax Credit

261. In its questionnaire response the USTR states that there is no Alternative Fuel Infrastructure Tax Credit, and that this may be a reference to the Alternative Fuel Vehicle Refuelling Property Credit.¹⁴ We accept that this is the correct title for the programme.

262. The Alternative Fuel Vehicle Refuelling Property Credit is available to businesses and individuals who install qualified refuelling or recharging property, including electric vehicle charging equipment, in an eligible location. To qualify, the refuelling or recharging property must be installed in a low-income community census tract or non-urban census tract.⁴⁷

263. Qualified refuelling or recharging property includes: “..any depreciable property (not including a building and its structural components), the original use of which begins with the taxpayer, and that is: (1) for the storage or dispensing

⁴³ [Title 7 USC 8105](#)

⁴⁴ [CFR BPAB](#)

⁴⁵ [Higher Blends Infrastructure Incentive Program Fact Sheet](#)

⁴⁶ [2023-13483.pdf](#)

⁴⁷ [Alternative Fuel Vehicle Refueling Property Credit | Internal Revenue Service](#)



of a clean-burning fuel into the fuel tank of a motor vehicle propelled by such fuel, but only if the storage or dispensing of the fuel is at the point where such fuel is delivered into the fuel tank of the motor vehicle (2) for the recharging of motor vehicles propelled by electricity, but only if the property is located at the point where the motor vehicles are recharged.”

264. Questionnaires from the participating exporters state they did not claim this tax credit. As this tax credit does not relate to HVO production or sales, the TRA has not considered it further.

F5.5 Missouri Biodiesel Producer Tax Credit

265. Pursuant to the ‘Missouri Revisor of Statutes’ chapter 135.778⁴⁸, the Missouri Biodiesel Tax Credit authorises producers to claim a tax credit against their state income tax liability, of two cents per US gallon of biodiesel fuel produced. This program was active during the POI, however chapter 135.778 states that qualifying biodiesel fuel should be ‘mono alkyl ester combustible liquid’, so it would not include HVO.

266. Regardless of whether HVO qualifies, according to the Argus global SAF and Renewable Diesel (HVO) refinery database, there was no HVO production in the State of Missouri during the injury period or POI. In addition, none of the participating exporters in this investigation have production facilities located in Missouri. The TRA has therefore not considered this subsidy further.

F5.6 Texas Biofuel Blend Tax Exemption

267. Under Texas Statutes, Tax Code 162.204⁴⁹ the biodiesel, renewable diesel, or ethanol portion of blended fuel containing taxable diesel is exempt from the diesel fuel tax. The biodiesel, renewable diesel, or ethanol fuel blend must be clearly identified on the retail pump, storage tank, and sales invoice to be eligible for the exemption.

268. None of the participating exporters have stated that they are in receipt of the Texas biofuel blend tax exemption.

269. As set out under Tax Code 162 Subchapter C. DIESEL FUEL TAX⁴⁹ “In each subsequent sale of diesel fuel on which the tax has been paid, the amount of the tax shall be added to the selling price so that the tax is paid by each person receiving the diesel fuel until it is paid ultimately by the person using or consuming the diesel fuel.”

270. The USTR confirms that “the exemption is provided to the ultimate customer who purchases the fuel/blend from the retail location... Therefore, it is not

⁴⁸ [Missouri Revisor of Statutes chapter 135.778](#)

⁴⁹ [Texas Constitution and Statutes - Home](#)



possible to affirmatively determine that any actual producers of HVO actually receive benefits under this alleged program.”

271. As the tax exemption is provided to the end customer purchasing the fuel or blend from the retail location in the state of Texas, the TRA has determined this subsidy is not applicable to the investigation and has not considered it further.

F5.7 Iowa Biodiesel Production Tax Credit

272. The Iowa Biodiesel Production Tax Credit was established in 2006 under Iowa Code 423.4(9). It provides qualified biodiesel producers with a refundable tax credit of \$0.04 per US gallon on the first 25 million US gallons produced per facility each year.

273. The program is currently active and is scheduled to expire on 1 January 2028.

274. The credit applies only to biodiesel produced within the state of Iowa. The USTR confirmed to qualify for Iowa Biodiesel Production Tax Credit, an applicant must be a legal entity engaged in business within the state of Iowa. Eligible entities include individuals, trusts, estates, fiduciaries, partnerships, limited liability companies, limited liability partnerships, corporations, or any other recognised legal entities.

275. None of the participating exporters in this investigation have production facilities located in Iowa.

276. According to the Argus global SAF, and Renewable Diesel (HVO) refinery database there was no HVO production in the State of Iowa during the injury period or POI.⁵⁰ The TRA has therefore not considered this subsidy further.

F5.8 Kentucky Biodiesel Production Tax Credit

277. Kentucky Revised Statutes (KRS) Chapter 141 comprises of the Alternative Fuel Producer Tax Credits, a non-refundable credit for biodiesel producer, biodiesel blender or renewable diesel producer.⁵¹

278. According to the Argus global SAF, and Renewable Diesel (HVO) refinery database there was no HVO production in the State of Kentucky during the injury period or POI.⁵² In addition, none of the participating exporters in this investigation have production facilities located in Kentucky. The TRA has therefore not considered this subsidy further.

⁵⁰ Available under subscription from Argus

⁵¹ [Kentucky Revised Statutes - Chapter 141](#)

⁵² Available under subscription from Argus



F5.9 North Dakota Biodiesel and Renewable Diesel (HVO) Sales Equipment Tax Credit

279. Under North Dakota Century Code 57-38-01.23⁵³ qualified retailers may be eligible for a corporate income tax credit of 10% of the direct costs incurred to adapt or add equipment to a facility so that it may sell diesel fuel containing at least 2% biodiesel or renewable diesel. A retailer may only claim the credit for up to five years and is limited to \$50,000 in cumulative credits for all taxable years.⁵⁴
280. None of the participating exporters in this investigation have production facilities located in North Dakota.
281. In addition, the USTR confirmed that there were no claimants of the North Dakota Biodiesel and Renewable Diesel (HVO) Sales Equipment Tax Credit in tax years 2021 to 2024⁵⁵ which covers the injury period and the POI.
282. The TRA has therefore not considered this subsidy further.

F5.10 North Dakota Biodiesel and Renewable Production and Blending Equipment Tax Credit

283. Under North Dakota Century Code 57-38-30.653⁵³ a taxpayer is entitled to a credit against tax liability determined under section 57-38-30 in the amount of ten percent per year for five years of the taxpayer's direct costs incurred after December 31, 2002, to adapt or add equipment to retrofit an existing facility or construction of a new facility in this state for the purpose of producing or blending diesel fuel containing at least two percent biodiesel fuel or green diesel fuel by volume or of the taxpayer's direct costs incurred after December 31, 2008, to adapt or add equipment to retrofit an existing facility or construction of a new facility in this state for the purpose of producing crushed soybeans or canola.
284. As set out under Section F5.9 none of the participating exporters in this investigation have production facilities located in North Dakota.
285. The USTR confirmed that there were no claimants of the North Dakota Biodiesel and Renewable Diesel (HVO) Sales Equipment Tax Credit for tax years 2021 to 2024 which covers the injury period and the POI.⁵⁶ The TRA has therefore not considered this subsidy further.

⁵³ [Century Code | North Dakota Legislative Branch](#)

⁵⁴ [Alternative Fuels Data Center: Biodiesel Laws and Incentives in North Dakota](#)

⁵⁵ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

⁵⁶ [TRA Investigations - Trade Remedies Service - GOV.UK](#)



F5.11 North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantees and North Dakota Advanced Biofuels Incentives

286. The allegation put forward by the Applicant under ‘North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantees and North Dakota Advanced Biofuels Incentives’ refers to the North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantees. Other alleged subsidies relating to North Dakota have been examined under the relevant sections.
287. The Bank of North Dakota offers loan guarantees of up to \$400,000 per borrower for eligible entities constructing facilities using biomass for agriculturally-derived fuel production.
288. As set out under Section F5.9 none of the participating exporters in this investigation have production facilities located in North Dakota.
289. The USTR provided a list of recipients of the North Dakota Biofuels Program.⁵⁷ There are no HVO producers in receipt of this program. The TRA has therefore not considered this subsidy further.

F5.12 North Dakota Biofuel Loan/PACE Program

290. The North Dakota Biofuels PACE Program provides interest buydown on loans to biodiesel, ethanol or green diesel production facilities and livestock operations. The program is used to reduce the interest rate on loans which have been approved by a local lender and the Bank of North Dakota.⁵⁸
291. As set out under Section F5.9 none of the participating exporters in this investigation have production facilities located in North Dakota.
292. The USTR provided a list of recipients of the North Dakota Biofuels PACE Program.⁵⁹ There are no HVO producers in receipt of this program. The TRA has therefore not considered this subsidy further.

F5.13 Clean Transportation Program

293. The California Energy Commission’s Clean Transportation Program (previously known as the Alternative and Renewable Fuel and Vehicle Technology Program) provides funding to accelerate the development and deployment of zero-emission transportation and fuel technologies.

⁵⁷ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

⁵⁸ [Biofuels PACE Program - Bank of North Dakota](#)

⁵⁹ [TRA Investigations - Trade Remedies Service - GOV.UK](#)



294. The program was established by Assembly Bill 118⁶⁰, which took effect 1 January 2008, and was most recently extended through 1 July 2035, by Assembly Bill 126.⁶¹
295. Funding areas include electric vehicles and charging infrastructure, hydrogen vehicles and refuelling infrastructure, medium and heavy-duty vehicles and infrastructure, and workforce training and development.
296. The USTR states that none of the projects for which solicitations have been issued or for which awards have been granted pertain to renewable diesel. Solicitations for which awards have been issued are publicly available on the California Energy Commission's website.⁶²
297. An investment map, and data relating to all projects is also available on the California Energy Commission's website⁶³ and in addition, the USTR provided a list of recipients of the clean transportation program during the injury period and POI.⁶⁴
298. The TRA determined there were no HVO producers in receipt of funding from the Clean Transportation Program relating to the production or sales of HVO. The TRA has therefore not considered this subsidy further.

F5.14 Oregon Production Property Tax Exemption (as part of the Rural Renewable Energy Development Zone)

299. Eligible investments under the Oregon Production Property Tax Exemption (as part of the Rural Renewable Energy Development Zone), include investments to produce, distribute or store any of a wide variety of biofuels.
300. According to the Argus global SAF, and Renewable Diesel (HVO) refinery database there was no HVO production in the State of Oregon during the injury period or POI.⁶⁵
301. Whilst there are two Oregon companies listed in the Argus refinery database, one is not due to be operational until 2028, and one has no operational date planned.

⁶⁰ [Bill Text - AB-118 Alternative fuels and vehicle technologies: funding programs.](#)

⁶¹ [2023 – Assembly Bill 126 \(Reyes, Eloise\), Vehicular air pollution: Clean Transportation Program: vehicle registration and identification plate service fees: smog abatement fee: extension \(Chaptered\) | California Air Resources Board](#)

⁶² [Solicitations](#)

⁶³ [Clean Transportation Program - Overview](#)

⁶⁴ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

⁶⁵ Available under subscription from Argus



302. The USTR also confirmed in its questionnaire response that no biofuel producers have used this exemption.⁶⁶ The TRA has therefore not considered this subsidy further.

F5.15 US Foreign trade zones – import duty elimination on UCO

303. Foreign-trade zones are designated sites licensed by the Foreign-Trade Zones (FTZ) Board at which special customs procedures may be used.⁶⁷ US FTZ usage is available to all companies in all types of industries. Subzones/usage-driven sites are approved for a specific company/use.

304. The TRA considered whether the US FTZ are deemed a subsidy within the meaning of paragraph 3 of Schedule 4 to the Act, and whether they are specific.

305. The TRA considered specificity in accordance with regulation 22 of the Regulations including whether:

- a) it is not limited to certain enterprises or industries;
- b) it is not contingent on export performance;
- c) it is not contingent on the use of domestic over imported goods;
- d) it is not limited to a specific geographical region within the jurisdiction of the granting authority;
- e) it is not applied in a specific manner.

306. Additional benefits in free trade zones are available specific to production activities.⁶⁸ However, as set out under the FTZ Production Database, there are no HVO producers approved for production activities in a FTZ.⁶⁹ This is confirmed by the USTR in its questionnaire response.¹⁴

307. Subzones are sites approved for a specific company/use.⁷⁰ According to the US Customs and Border Protection website, subzones are normally private plant sites authorised by the FTZ Board and sponsored by a grantee for operations that usually cannot be accommodated within an existing general-purpose zone.⁷¹

308. A list of all FTZ and subzones, including their status, can be found on the US Trade Administration.⁷² Whilst there are subzones linked to companies that produce HVO, the TRA determined there are no active subzones in relation to HVO production facilities. Given that there is no evidence of FTZ usage

⁶⁶ [TRA Investigations - Trade Remedies Service - GOV.UK](#)

⁶⁷ [About FTZs](#)

⁶⁸ <https://www.trade.gov/about-ftzs?anchor=content-node-t14-field-lp-region-1-6>

⁶⁹ [HTSUS Search List - FTZ](#)

⁷⁰ [About FTZs](#)

⁷¹ [About Foreign-Trade Zones and Contact Info | U.S. Customs and Border Protection](#)

⁷² <https://ofis.trade.gov/Zones>



delivering a benefit to HVO producers during the POI, the TRA has not considered it further at this stage.

309. One participating exporter stated in its questionnaire response that they did have import duties on UCO eliminated, however this is not in relation to a FTZ. The TRA have considered this under the following section, Substitution Duty Drawback.

F5.15.1 Substitution Duty Drawback

310. Substitution duty drawback systems can allow for the refund of import duties, taxes and fees paid on inputs which are consumed in the production process of another product, and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs. Drawback systems can constitute a countervailable subsidy to the extent that they can result in excess drawback of the import charges originally levied.
311. One participating exporter received authorisation in September 2024 to allow drawback in compliance with Title 19, U.S. Code, section 1313(b) and (i), Part 190 of the regulations, and the manufacturer's drawback ruling. This allowed the exporter to file claims for recovery of imported feed duties.
312. It does not contravene the World Trade Organization's Agreement on Subsidies and Countervailing Measures (SCM), if duties initially paid on inputs that are substituted for domestic inputs during the production process, are refunded to the exporter when that latter product is exported (provided any claims do not exceed duties paid on the imported inputs).
313. As set out in Annex III of the SCM;
- a) *“where it is alleged that a substitution drawback system conveys a subsidy, the investigating authorities should first proceed to determine whether the government of the exporting Member has in place and applies a verification system or procedure..... Where such a system or procedure is determined to be applied, the investigating authorities should then examine the verification procedures to see whether they are reasonable, effective for the purpose intended, and based on generally accepted commercial practices in the country of export. To the extent that the procedures are determined to meet this test and are effectively applied, no subsidy should be presumed to exist.”*
314. As set out under Section 190.61 of the U.S Code all claims are subject to verification by U.S Cross Border Patrol (CBP), and CBP personnel will verify compliance with the law and this part, the accuracy of the related general manufacturing drawback ruling or specific manufacturing drawback ruling (as



applicable), and the selected drawback claims. Verification may include an examination of all records relating to the transaction.⁷³

315. The TRA is satisfied that verification procedures are in line with the SCM, and therefore the TRA does not consider this substitution duty drawback system to be a countervailable subsidy within the meaning of paragraph 3 of Schedule 4 to the Act.

F6. Conclusions

316. After assessing the evidence provided to date by the parties registered to the case and information from secondary sources, the TRA has determined that the following subsidies are countervailable:

Table 9: Countervailable subsidies				
No.	Name of subsidy programme	Form of subsidy	Nature of subsidy (export or other)	Granting authority
1	Biodiesel Mixture Credit	Government revenue foregone or not collected	Other	Internal Revenue Service
2	Biodiesel Credit	Government revenue foregone or not collected	Other	Internal Revenue Service
3	North Dakota Biodiesel and Renewable Diesel Blender Tax Credit	Government revenue foregone or not collected	Other	The North Dakota Office of State Tax Commissioner

F6.1 Subsidy rates

317. The TRA notes that the Biodiesel Mixture Credit ended on 1 January 2025, after the POI, and understands from the US Trade Representative (from its questionnaire submission) that it was replaced with the CFPC, which started after the POI. As the CFPC was introduced after the end of the POI, the TRA was unable to obtain any verifiable data regarding this replacement subsidy program.

⁷³ [19 CFR § 190.61 Verification of drawback claims - Code of Federal Regulations](#)



318. The TRA also notes that IRS guidance on how the CPFC works, and therefore what the potential benefit would be, is still being developed.⁷⁴ At this time, the TRA considers that as the CFPC is a replacement subsidy programme, it potentially has similar benefits to the BTC although acknowledging the programmes are not identical. Therefore, the TRA considers the CFPC to be a replacement programme for the BTC meaning that there is a continuing subsidy beyond the POI and given that, it is appropriate to use the verified data of the BTC to calculate the subsidy margins.
319. The TRA calculated subsidy rates for the cooperating US exporters DGD, SBR and P66 in accordance with the regulations.
320. The subsidies examined during the POI were: Biodiesel Mixture Credit, Biodiesel Credit and North Dakota Biodiesel and Renewable Diesel Blender Tax Credit. The TRA took account of the replacement subsidy the CFPC, which replaced the BTC after the POI.
321. The TRA calculated a subsidy margin for all other non-participating US producing exporters. This is known as the residual amount.
322. In accordance with regulation 38(4)(b) of the Regulations the TRA has determined the residual amount taking into account information including that provided by DGD, SBR and P66.”
323. Having calculated the individual amounts of subsidies that each of the listed subsidy programmes provided to the participating exporters during the POI, the TRA has established the following subsidy amounts for cooperating exporters and non-cooperating exporters of the goods concerned:

Table 10: Subsidy amounts	
Exporter/Overseas producer	Subsidy amount
Diamond Green Diesel LLC	23.80%
Phillips 66 Company	24.41%
St Bernards Renewable LLC	24.87%
All other overseas exporters (residual amount)	25.97%

⁷⁴ [H.R. 1 Expands 45Z Clean Fuel Production Credit for Conventional Biofuels While Cutting Sustainable Aviation Fuel Tax Credit – Clean Air Task Force; A Guide to the 45Z Clean Fuel Production Tax Credit | Breakthrough](#)



Section G: Injury

324. Injury is the term used when there is evidence of a UK industry being harmed by subsidised imports. Paragraph 5 of Schedule 4 to the Act defines 'injury' to a UK industry in particular goods as:
- a) material injury, or the threat of material injury, to the industry, or
 - b) material retardation of the establishment of the industry.
325. In accordance with regulation 27(2) of the Regulations, as the TRA has determined that goods that have been or are being imported into the UK benefit from a countervailable subsidy, it must determine whether:
- a) a UK industry has suffered or is suffering injury in accordance with regulation 30 of the Regulations (determination of injury); and
 - b) the subsidised imports have caused or are causing that injury to that UK industry.
326. The subsidies examined during the POI were: Biodiesel Mixture Credit, Biodiesel Credit and North Dakota Biodiesel and Renewable Diesel Blender Tax Credit.
327. To determine whether a UK industry is suffering or has suffered injury from imports of the goods concerned, in line with regulation 30 of the Regulations, the TRA has examined four factors:
- a) the volume of the subsidised imports during the injury period;
 - b) the effect of the subsidised imports on prices of the like goods in the UK market during the injury period;
 - c) the consequent impact of the subsidised imports on UK industry during the injury period;
 - d) any other factors it considers relevant.
328. To determine whether the subsidised imports have caused or are causing injury to UK industry, in line with regulation 35 of the Regulations, the TRA has also examined whether any known factors other than the subsidised imports (other known factors) have caused or are causing injury to a UK industry. The TRA considered the following factors:
- Volume and the prices of third country imports
 - Contraction in demand or changes in the pattern of consumption of the like goods in the UK
 - Inflation



G1. Injury Analysis

329. To conduct the injury analysis, the TRA has used the information relating to the UK industry that was supplied in the questionnaire responses.
330. Secondary sources of information were also used in accordance with the Regulations, treated with special circumspection, and where practicable verified using other independent sources in accordance with regulation 47 of the Regulations.
331. These sources were import statistics from HMRC, data from Eurostat, data from the Office for National Statistics (ONS) and official RTFO statistics, published by DfT.
332. ONS import data published by HMRC, is at an 8-digit commodity code level. It is based on country of dispatch, which refers to the country where the last commercial transaction took place. This is not necessarily the country of origin/manufacture or the last country from which the goods were shipped to the UK. The TRA is aware that due to the nature of US trade flows, HVO from the US will often travel through the Amsterdam, Rotterdam, Antwerp (ARA) ports prior to reaching its UK destination.
333. The OTS import data may also contain goods under the 8-digit commodity level that are not in scope of the investigation. For these reasons we did not use the publicly available OTS import data at 8-digit commodity code level.
334. To provide a more accurate assessment on imports, the TRA obtained raw customs declaration data from HMRC. This confidential data is provided at the ten-digit commodity code level and is based on the country of origin. Where possible, we have compared country-of-origin to country-of-dispatch data.
335. Whilst the OTS import data has undergone a cleaning process and is considered an official statistic, the HMRC raw customs declaration data is not, and may be subject to some errors or omissions. Due to Staged Customs Controls and simplifications in 2021, some raw customs declarations may be recorded in later periods than they were imported.
336. The raw customs declaration data has been used for the purposes of assessing volume and value of imports. This analysis has been conducted on the basis of all in-scope commodity codes. As the TRA is unable to separate the diesel component under the in-scope commodity codes, this may have inflated the data trends. The TRA has therefore also conducted the import volume and value analysis solely on goods under commodity codes 2710194329 and 2710194339 for comparison, which are those the TRA has determined the majority of exporters have exported HVO under.



G1.1 Volume of subsidised imports

337. In accordance with regulation 31 of the Regulations, when determining whether the UK Industry is suffering injury, the TRA has considered where there has been a significant increase in the subsidised imports in the UK either in absolute terms (the volume of subsidised imports being imported into the UK market) or relative to domestic production or consumption.
338. Transitioned EU measures were in place against HVO and FAME throughout year 1 of the injury period (calendar year 2021). Measures against HVO were removed following publication of the final determination on 10 November 2022 of TS0005, which followed our preliminary finding to recommend removal of HVO from the measures in the statement of essential facts published on 15 December 2021.
339. Year 1 of the injury period shows imports that are disproportionately lower than the rest of the injury period due to the measures in place against HVO throughout that year. Therefore, the TRA has indexed all volumes in the injury period to year 2, which provides trends that are not affected by previous measures against HVO.

G1.1.1 Volume of subsidised imports in absolute terms

340. Assessment of the volume of imports in absolute terms gives an indication of the rate at which imports of these goods increased or decreased during the injury period.
341. The following tables (11 and 11.1) show the import volumes in absolute terms of subsidised goods originating in the US throughout the injury period. These import volumes have been compared with the total volume of imports of biodiesel into the UK from all countries.
342. Table 11 below shows analysis solely on goods under commodity codes 2710194329 and 2710194339. The TRA has determined that these are the codes under which the majority of exporters have exported HVO.



Table 11: Volume Analysis in absolute terms (HMRC 10-digit commodity codes 2710194329 and 2710194339)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Import volume (US) converted to litres (l): Index	0	100	1,821	3,934
Total import volume (all countries) converted to litres (l): Index	31	100	294	335
US imports compared to total imports: Range	0-6%	3-8%	26-37%	56-65%

Source: HMRC raw customs declaration data

343. Table 11 shows that total import volumes from all countries under these two commodity codes increased year on year during the injury period. Similarly, import volumes from the US also increased year on year; however, imports from the US increased at a greater rate than those from all countries, resulting in an increase in US imports compared to total imports of <6% in year 1, to 56-65% in the POI.

344. The TRA notes that there were UK measures in place (transitioned from the EU) against both HVO and FAME during year 1 of the injury period (2021). The consequent transition review removed the measures on HVO⁷⁵ with effect from 30 January 2021, however the final recommendation was not published until 10 November 2022 (with the SEF published on 15 December 2021). This gives a possible explanation why the increase from negligible quantities during year 1 happened from year 2 (2022) of the injury period onwards.

345. Year 1 (2021) volumes were affected by several other factors, including lower demand born from the COVID epidemic and higher shipping costs, due to the shipping crisis. Year 1 volumes are therefore not representative for US imports.

346. Table 11.1 below shows the same absolute import analysis for all in-scope commodity codes. As the TRA is unable to separate the mineral diesel component of the in-scope commodity codes, it is possible that this has inflated import volumes and hence the trends.

⁷⁵ [TRA Investigations - Trade Remedies Service - GOV.UK](https://www.gov.uk/government/news/tra-investigations-trade-remedies-service)



Table 11.1: Volume Analysis in absolute terms (all in-scope HMRC 10-digit commodity codes)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Import volume (US) converted to litres: Index	47	100	252	345
Total import volume (all countries) converted to litres: Index	87	100	89	85
US imports compared to total imports (litres): Range	2-8%	6-12%	17-25%	30-38%
<i>Source: HMRC raw customs declaration data</i>				

347. Table 11.1 shows that total import volumes from all countries fluctuated during the injury period, rising from year 1 to year 2, and then steadily decreasing through years 3 and 4.

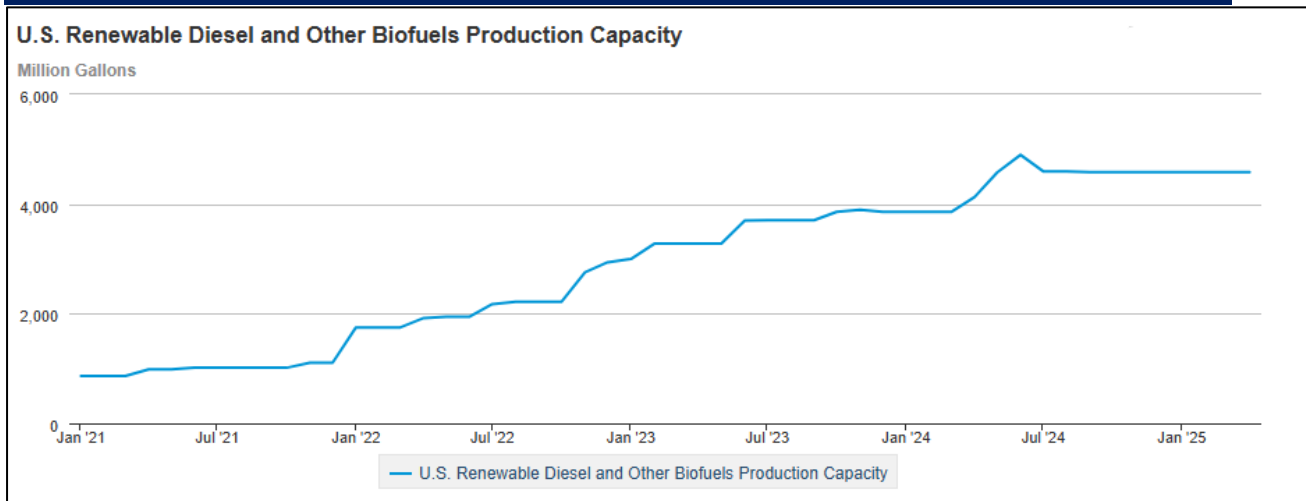
348. Conversely, the import volume from the US rose steadily across the injury period, increasing yearly, from year 1 to the POI. As a result, the US share of imports compared with total imports increased significantly in the period, rising from 2-8% in the first year to 30-38% in the POI.

349. The TRA considers that import volumes from the US in absolute terms have increased significantly over the injury period, with an even greater percentage increase in import volumes of the two codes identified as covering the majority of HVO imports. The US percentage share of total imports has also risen significantly over the injury period.

350. During the injury period, US production capacity for HVO has seen an increase, with a number of new production facilities coming online in the injury period. Production capacity increasing from below 863 million US gallons to over 4.5 billion US gallons:



Image 2: US renewable diesel and other biofuels production capacity



Source: [US Energy Information Administration](#)

351. In the same period US production of HVO has also seen increases from year 1 to year 3 of the injury period, with data for the POI at this point only estimated (final data was not available at the time of writing).

Table 11.2: US HVO production volume in litres

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
US HVO production volume in litres	3,259,238,010	5,674,329,590	9,690,649,600	9,248,584,688
US production Indexed	57	100	171	163

Source: [US Energy Information Administration](#)

352. The TRA notes that US production capacity has increased by approximately 400% in the injury period, production volume increased by approximately 300% and imports to the UK increased from less than 500 to more than 400,000,000 litres.

G1.1.2 Volume of subsidised imports relative to domestic production

353. Assessing import volumes in terms relative to domestic production gives an indication of the rate of increase or decrease in imports of these goods during the injury period in comparison to the UK domestic production of the like goods.

354. Tables 12 and 12.1 below show the relative level of imports from the US as a percentage of UK production and as a percentage of UK consumption.



355. Table 12 has been restricted to the two commodity codes the TRA has determined the majority of exporters have exported HVO under. This table gives more representative trends than those shown in Table 12.1 where the TRA is unable to separate the mineral diesel component of the in-scope commodity codes.

Table 12: Volume Analysis in relative terms (HMRC 10-digit commodity codes 2710194329 and 2710194339)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
US Imports of HVO relative to UK production of like goods: Range	0-2%	2-3%	40-47%	101-125%
US Imports of HVO relative to UK Consumption of goods concerned and like goods: Range	0%	0-2%	8-13%	24-32%

Source: HMRC raw customs declaration data

356. Table 12 shows that there is an increasing trend of US imports relative to UK production of like goods. This rises from 0-2% in year one to 101-125% by the POI meaning that the quantity of US imports was 1-25% more than the entire UK production of the like goods.

Table 12.1: Volume Analysis in relative terms (all in-scope HMRC 10-digit commodity codes)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Imports relative to UK production Range	132-146%	315-327%	825-834%	1400-1416%
Imports relative to UK consumption Range	55-60%	92-98%	205-214%	320-345%

Source: HMRC raw customs declaration data

357. UK production of the like goods has fallen across the injury period. This fall has been driven by the closure of production facilities, which has been blamed in part due to the competitive pressure from cheap imports of the goods concerned⁷⁶.

358. This fall in production combined with the rise in US imports mean that imports relative to UK production has risen significantly from 132-146% in year one to 1400-1416% of UK production in the POI.

359. US import volumes relative to domestic production show a trend that is consistent with injury being caused to the UK industry.

⁷⁶ [Argent Energy proposes to end production at its biodiesel plant in Scotland | Argent Energy](#)



G1.1.3 Volume of subsidised imports relative to domestic consumption

360. Table 12 provides a more granular analysis of US imports, limiting it to the two codes 2710194329 and 2710194339. This shows US imports of the goods concerned and like goods as a percentage of UK consumption of 24-32% during the POI, which has risen from close to 0% during the injury period.
361. Table 12.1 shows that the proportion of UK consumption made up by US imports of all the in-scope commodity codes (that also include mineral diesel) has risen from 55-60% in year one to 205-214% in year three. There is then another rise from 205-214% to 320-345% in the POI. It is possible that analysing all in-scope commodity codes has inflated import volumes and hence the trends.
362. However, US import volumes relative to domestic consumption clearly show a trend that is consistent with injury being caused to the UK industry.

G1.2. Effect of subsidised imports of the goods concerned on prices

363. In accordance with regulation 32 of the Regulations, to assess the effect of the subsidised imports on prices of the like goods in the UK during the injury period, the TRA has considered whether:
- f) there has been significant price undercutting by the subsidised imports as compared with the price of the like goods produced in the UK; or
 - g) the subsidised imports have depressed or suppressed domestic prices of the like goods produced in the UK to a significant degree.

G1.2.1. Price undercutting

364. Price undercutting is where the imported goods are consistently sold at a price below that of the like goods in the UK.
365. An undercutting margin is calculated by comparing the landed price of the goods concerned, comprising the cost, insurance, and freight (CIF) import price of the goods concerned, customs duties, and relevant post-importation costs (such as customs clearance fees and handling costs), and the average domestic sales price of the like goods (ex-factory).
366. An undercutting margin (%) reflects the extent to which landed prices of the imported goods concerned are lower than the UK sales prices of the like goods.
367. The TRA assessed price undercutting for the entirety of the injury period based on total imports from the US. We compared import values from the US



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obtained from HMRC raw customs declaration data against the average UK industry sales value per litre for pure FAME sales.

368. HMRC raw customs declaration data is given in tonnes. To convert to litres, where all codes are analysed (Table 13), the standard conversion for FAME of 1136 l/mt was used, as FAME comprised the greatest proportion of the total volume. Where only the two main HVO codes are analysed (Table 13.1), the standard conversion for HVO of 1282l/mt was used as HVO comprised the greatest proportion of the total volume.

369. This assessment has been conducted using all commodity codes within the scope of the investigation and is set out in the table below:

Table 13: Undercutting over the injury period (all in-scope HMRC 10-digit commodity codes)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Undercutting margin	57%	42%	37%	35%

Source: Questionnaire responses and HMRC raw customs declaration data

370. Table 13 shows that the UK industry suffered from significant undercutting in all years of the injury period.

371. The TRA has also conducted this analysis for the commodity codes 2710194329 and 2710194339, the codes that the TRA understands the majority of US HVO to have been imported under. This analysis can be seen in table 13.1 below:

Table 13.1: Undercutting over the injury period (HMRC 10-digit commodity codes 2710194329 and 2710194339)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Undercutting margin	-	31%	-9%	21%

Source: Questionnaire responses and HMRC raw customs declaration data

372. Year 1 of the injury period has been suppressed for these two codes (less than 5 consignments and less than 500 litres in volume). This means that undercutting has not been calculated for this year, and instead the trends are considered for years 2, 3 and the POI.

373. Table 13.1 shows that the UK industry suffered from undercutting in year 2 of the injury period and during the POI, with margins of 31% and 21% respectively.

374. Year 3 of the injury period shows an increased import price per unit for US imports and an absence of undercutting, at a time when US import volumes showed an increase from approximately 11 million litres in year 2 to 200 million litres in year 3.



375. The average price per litre for US HVO in the POI dropped to its lowest point throughout the injury period and import volumes more than doubled. Despite the UK industry average prices also being at their lowest in the POI, US imports were still undercutting it at a margin of 21%.
376. The TRA acknowledges that there was an absence of undercutting in year three and has taken this into account, however the UK industry has faced significant undercutting on average during the injury period.

G1.2.2. Price depression

377. Price depression occurs when the UK industry is forced to reduce its domestic sales prices to compete against lower priced subsidised imports.
378. The TRA compared the average domestic price of the UK industry like goods to the average import price of the goods concerned from the US to establish whether there was price depression during the injury period, as shown in the table below:

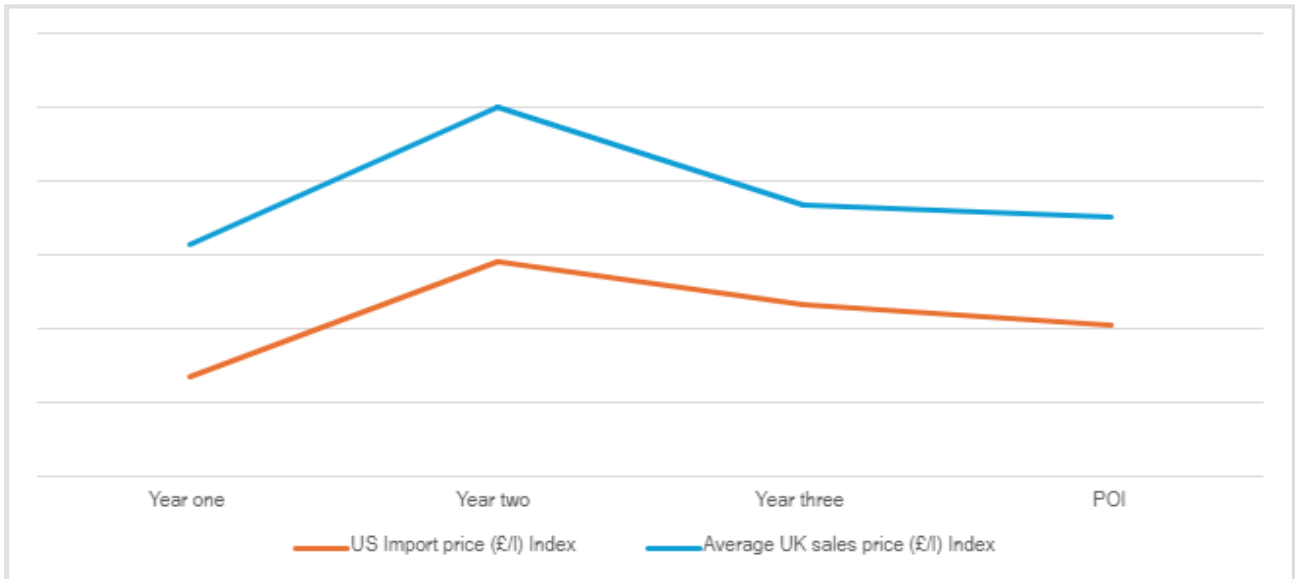
Table 14: Import price per litre (all in-scope HMRC 10-digit commodity codes)				
	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
US Import price (£/l) Index	46	100	80	70
Average UK sales price (£/l) Indexed to the US, year 2	108	173	126	121
<i>Source: Questionnaire responses and HMRC raw customs declaration data</i>				

379. Table 14 shows that the UK industry's average sales price initially increased from year one to year two of the injury period. However, the price then decreased in the following two years, though it remained above the price of year one.
380. The US import price showed a similar trend, increasing by 54 percentage points in year two and then steadily decreasing, though remaining above the value of year one. The US prices were consistently lower than UK industry, as illustrated in Image 3, below.



Image 3: Price depression

Source: Questionnaire responses and HMRC raw customs declaration data



381. The decrease in UK industry sales price, seen from year two through to the POI, in line with the decrease in US import prices over the same period, indicates that the UK industry is likely to have been experiencing price depression during those years.

382. The TRA compared the average domestic price of the UK industry like goods to the average import price of the goods concerned from the US for the two main commodity codes identified for HVO to establish whether there was price depression during the injury period, as shown in the table below:

Table 14.1: Import price (HMRC 10-digit commodity codes 2710194329 and 2710194339)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
US import price (£/l) Index	*	100	116	72
Average UK sales price (£/l) Index	91	146	107	102

Source: Questionnaire responses and HMRC raw customs declaration data

383. Due to the suppression of the data for year 1, there is no value for US import price in that year.

384. Table 14.1 shows that the trend for US imports under these two codes does not follow the same trend as all in-scope codes, with the highest price seen in year 3 of the injury period, and a decrease in price again in the POI.



385. The trend for UK prices from year 2 of the injury period is one of continuous decline, showing the same trend as all commodity codes.
386. In all instances, with the exception of year 3 of the injury period for the two selected codes, subsidised US imports were entering the market at lower prices than UK industry average prices.
387. The UK industry prices following a similar trend to the prices of imported US goods, suggesting that UK prices were being depressed by cheaper average prices from the US, and UK producers were having to reduce their domestic sales prices in order to remain competitive within the domestic market.

G1.2.3. Price suppression

388. Price suppression occurs where lower priced imports of the goods concerned prevent, to a significant degree, the UK industry from increasing its domestic sales prices to a level that would otherwise have occurred.
389. To assess whether there was any evidence of price suppression, the TRA examined changes to UK domestic and US sales prices compared to changes to the cost of production for the like goods produced in the UK during the injury period, as shown in the table below:

Table 15: Price suppression (UK and US sales prices indexed to Year 2 of UK costs of production)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Average UK cost of production (£/l) Indexed	80	100	71	67
Average UK sales price (£/l) Indexed	61	98	72	69
Average US sales price (£/l) Indexed	26	57	45	40

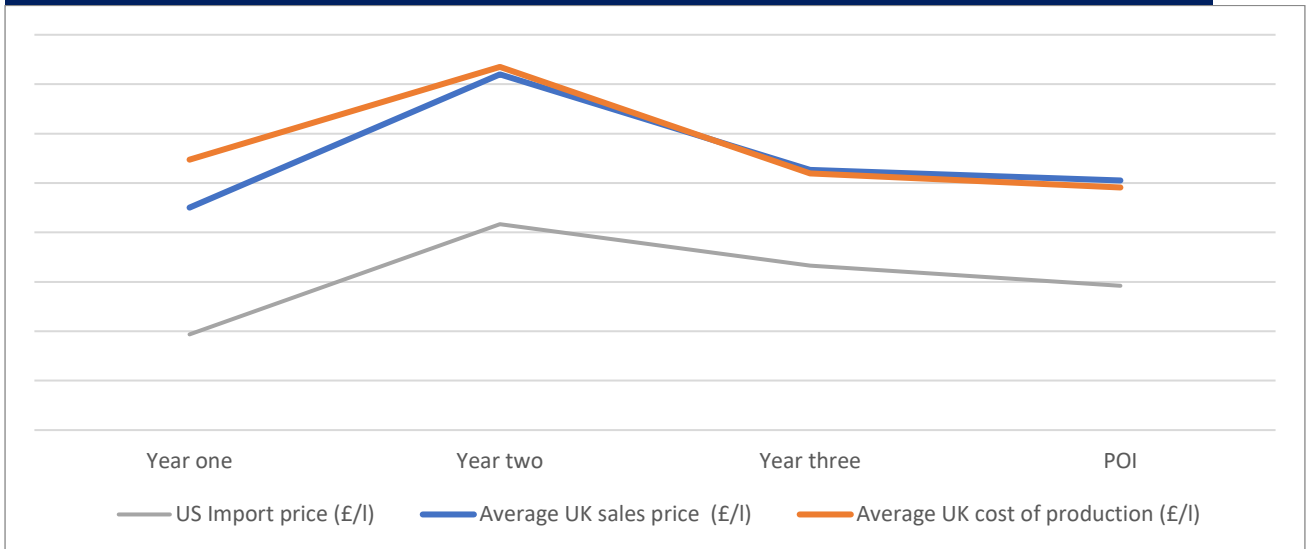
Source: Questionnaire responses and HMRC raw customs declaration data

Note: Average costs of production is made up of average annual costs of production and average annual output value. We consider this to be a reasonable reflection of UK industry costs of production over the injury period, as differences between costs of production and output value are negligible.

390. Table 15 shows that the average UK sales price in the first two years of the injury period was less than the average UK costs of production. In year three and the POI, the cost of production was slightly less than the sales price. However, US imports were significantly lower than both UK prices and UK costs of production throughout the injury period, also shown graphically in Image 4, below.



Image 4: Price suppression



Source: Questionnaire responses and HMRC raw customs declaration data

391. The UK industry has been unable to increase its sales price beyond its costs of production, because of lower priced imports of the goods concerned throughout the injury period. This is indicative of price suppression to a significant degree.

G1.2.4. Conclusion on the effect of subsidised goods on price effects

392. The TRA determined that despite the position in year three, on average there was price undercutting when comparing the average import price over the injury period with the average price of the like goods in the UK.

393. For all in-scope codes, the margin was between 37-57% over the injury period. Except for one anomalous result in year 1, undercutting was also found when looking at the two codes identified as the primary HVO codes from the US, including a margin of 30% in the POI.

394. The TRA found indication of price suppression for UK domestic sales during the injury period. The TRA found that whilst it was not to a significant degree, there was evidence of price depression.

G1.3. Impact of subsidised imports of the goods concerned on UK industry during the injury period

395. In considering, for the purpose of regulation 30(2)(c), the impact of the subsidised imports on the UK industry, the TRA must consider all relevant economic factors and indices having a bearing on the UK industry. Regulation 33 states that factors considered should include:



- a) actual and potential decline in sales, profits, output, market share, productivity, return on investments, and utilisation of capacity;
- b) factors affecting domestic prices of the like goods;
- c) actual and potential negative effects on cash flow, inventories, employment, wages, growth, the ability to raise capital or investments.

G1.3.1 Sales

396. The TRA assessed the change in the volume and value of the UK industry’s sales during the injury period.

397. Table 16 shows how the UK industry’s domestic sales developed throughout the injury period.

Table 16: UK Domestic Sales (like goods)				
	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Sales volume (l) (including biodiesel in blends) Indexed	159	100	65	97
Sales value (£) (including biodiesel in blends) Indexed	99	100	47	60

Source: UK Producer questionnaire responses

398. In the UK, demand for biodiesel is driven by the DfT RTFO. The RTFO is a UK Government policy for reducing greenhouse gas emissions from road transport in the UK, requiring an increasing volume of road fuel to contain a bio element, to reduce greenhouse gas emissions in the transport sector.

399. According to the RTFO, suppliers of relevant transport fuel in the UK must be able to show that a certain percentage of the fuel that they supply comes from renewable and sustainable sources. RTFO biodiesel blending targets increased from 9.75% in 2020 to 13.56% in 2024.

400. As the UK is a net importer of biodiesel, we would expect domestic sales volume to increase in line with consumption, but UK industry sales fluctuated over the injury period. There was a drop of 59 percentage points in sales volume (including biodiesel in blends) between years 1 and 2, which coincided with the removal of measures on HVO imported from the US. Sales during the injury period dropped a total of 62 percentage points, despite an increase in UK consumption over the same period. Sales values dropped by 39 percentage points over the injury period.

401. The TRA assessed the significance of export sales by the UK industry. The following table shows the volumes and values of export sales throughout the injury period.



Table 17: UK Export Sales (like goods)

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Export Sales volume (l) Indexed	91	100	100	77
Export Sales value (£) Indexed	72	100	68	49
Export Sales as a % of total sales	72-78%	81-86%	88-95%	80-85%
<i>Source: UK Producer questionnaire responses</i>				

402. The volume of export sales fluctuated during the injury period, rising in year 2 before falling in the POI, with this same trend being reflected in exports as a percentage of total sales throughout the period.

403. Table 18 combines both domestic and export sales volumes and shows a similar downward trend to that shown in Table 16: UK domestic sales over the injury period, with a drop of 21 percentage points. This downward trend in both UK and total sales is concurrent with an increase in UK consumption of 13 percentage points.

Table 18: Total Sales of like goods

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Sales volume (l) (including biodiesel in blends) Indexed	101	100	95	80
Sales value (l) (including biodiesel in blends) Indexed	76	100	65	51
<i>Source: UK Producer questionnaire responses</i>				

404. UK domestic industry aims to sell primarily in the UK domestic market, however when it is unable to compete with imports on price, it is forced to consider the export market. This is the case even when UK consumption is increasing. Both participating UK producers stated in their questionnaire responses that one of the causes of injury is having to export to the EU at an extra transport cost per tonne, due to not being able to compete with price levels in the UK.

405. This suggests that UK industry is making sales where it can, including being forced to export to the EU, particularly where domestic sales are impacted by price suppression, as described in Section H1.2.2 and H1.2.3. Even with this reliance on export sales, the UK industry has seen a rapid decline in both its domestic sales and total sales of the like goods over the injury period, at a time when UK consumption increased.



G1.3.2 Net Profit before tax for the Like Goods

406. The TRA assessed the change in net profits of the UK industry, and Table 19 shows how the UK industry's net profits have changed throughout the injury period.

Table 19: Net Profit before tax for like goods				
	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Net profit (GBP) Indexed	223	100	77	56
Net profit margin Indexed	312	100	37	-88

Source: UK Producer questionnaire responses

407. The above table shows that net profits before tax (£) for the like goods have fallen by 167 percentage points across the injury period. Net profit margins for the UK industry have moved from a profit in year 1 to losses for the remainder of the injury period.

408. Producers highlighted the volatility of prices for chemical stock and energy that cause fluctuations in profit margins, stating all controllable costs are tightly managed.

409. Due to lower UK FAME consumption and increased HVO imports, the UK industry also suffered from increased costs due to incurring additional freight costs to export FAME from UK to EU to sell in Europe.

410. This highlights the financial effects of imports to the UK of the goods concerned and the extent to which they have impacted UK industry profits.

G1.3.3 Market Share

411. The TRA examined the change in market share of UK industry during the injury period.

Table 20: Market Share and UK consumption of HVO				
	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
UK Consumption Index	79	100	111	92
Market share of UK Industry (%)	7-10%	4-9%	2-7%	4-9%

Source: UK Producer questionnaire responses and RTFO data

412. From Table 20 we can see that UK consumption increased steadily from year one to year three by 32 percentage points. UK consumption then fell by 19 percentage points from year three to the POI.



413. Across the injury period UK consumption has increased by 13 percentage points.

414. UK producer's market share fell from 7-10% in year one to 2-7% in year three, with a reduction across the whole injury period to 4-9%.

G1.3.4 Employment and productivity

415. The TRA assessed changes in employment, output and productivity of the UK industry during the injury period.

416. Output is measured by the volume of like goods (litres) produced by the UK industry during the period. Productivity is measured by the output per employee.

Table 21: Employment and Productivity

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Number of employees Indexed	100	100	102	79
Output Indexed	105	100	97	79
Productivity Indexed	104	100	96	100

Source: UK Producer questionnaire responses

417. Table 21 shows employee numbers remained stable for the first three years of the injury period but fell during the POI.

418. It is expected that employee numbers will fall further, after Argent entered consultation regarding its plant in Motherwell and stopped production there during the POI⁷⁷. Additionally, after the end of the POI, Greenergy announced the cessation of production at its Immingham Plant⁷⁸, putting a further 60^{79, 80} jobs at risk.

419. Both UK producers have cited difficult market conditions due to US HVO imports within their reasons for stopping production in their respective plants.

420. Output for the UK industry has declined during the injury period, with a decrease of 26 percentage points from year 1 to the POI. This trend is expected to continue after the POI given the closure and review of the plants discussed above.

421. Productivity, as measured by output per worker, showed an overall decline over the period. Productivity fell from 104 in year one to 100 in the POI,

⁷⁷ [Biodiesel plant closure would be 'devastating' for Lanarkshire - BBC News](#)

⁷⁸ [Greenergy proposes to end production at its Immingham plant](#)

⁷⁹ [Greenergy proposes to close Immingham biodiesel plant, 60 jobs at risk | Reuters](#)

⁸⁰ [Greenergy Immingham biodiesel plant talks to start on its closure - BBC News](#)



experiencing a low of 96 in year three. The fall in productivity is to be expected as output has declined over the IP faster than employment numbers.

422. Productivity, as measured by output per worker, showed an overall decline over the period. Productivity fell from 104 in year one to 100 in the POI, experiencing a low of 96 in year three. The fall in productivity is to be expected as output has declined over the IP faster than employment numbers.

G1.3.5 Capacity Utilisation

423. The TRA assessed the changes in the capacity and capacity utilisation of the UK industry during the injury period.

424. Production capacity is a measure of the maximum biodiesel that can be produced over a respective period.

425. Production capacity utilisation illustrates how much of the UK industry’s capacity is being used over a set period to produce biodiesel.

Table 22: Capacity utilisation

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Capacity Indexed	98	100	100	95
Utilisation of capacity Indexed	107	100	97	83

Source: UK Producer questionnaire responses

426. Production capacity can be measured by the nameplate capacity, or the actual capacity, which is based on the expected output after efficiencies are made in production. The data shown in Table 22 relates to actual capacity for one UK producer and nameplate capacity for the other.

427. As such, while it is common for the capacity of a plant to remain the same (except for expansion or closures), in this case the data shows minor fluctuations.

428. The UK industry generally produces to maximum capacity, to keep overheads as low as possible. Therefore, as efficiencies are made and capacity increases, so will production volumes.

429. However, both the output and the utilisation of capacity show an overall decline during the injury period. This can be attributed to commercial decisions to pause production– Greenergy stated in its questionnaire response that it had to close one of its plants repeatedly during the POI, prior to its recent decision to cease all production at the Immingham plant.



G1.3.6 Wages

430. The TRA assessed the changes in the level of wages paid by the UK industry during the injury period.

431. Wages were assessed by analysing the trends in the wage levels of employees engaged in the production of the like goods over the injury period. The following table shows the mean wage of the UK industry over the injury period:

Table 23: Wages				
	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Wages (£) Indexed	94	100	105	115
<i>Source: UK Producer questionnaire responses</i>				

432. UK producers have stated that they use annual salary reviews and industry benchmarking to set wages to be competitive within the job market.

433. The average wages have increased steadily throughout the injury period, although in line with inflationary pressure in the UK.

434. Though this does not give a clear indication of injury, there are other factors to consider in this area, including:

1. A requirement for wages that meet industry average to enable hiring success, as detailed by the producers;
2. High turnover of staff;
3. Internal restructuring to limit headcount.
4. Inflation

435. However, it has not been possible for the TRA to quantify or verify these considerations, and as such, this factor cannot be considered to clearly indicate injury.

G1.3.7 Return on Investment and Cashflow

436. The TRA has looked at the return on investment and the cashflow of UK industry across the injury period.



Table 24: Return on Investments and Cashflow

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Investments (£) Indexed	1007	100	52	17
Cashflow (£) Indexed	-26	100	-177	49
Return on investments (%)	45-54%	-224 to -234%	-50 to -435%	-1,975 to -1,850%

Source: UK Producer questionnaire responses

437. The data shown in the above table show a downwards trend in investment across the injury period, with reduction from year 1 to the POI. One producer stated that the reduction in investment was influenced by reducing margins across the injury period, as discussed in Section G1.3.2 (Net profit before tax on like goods). UK producers have indicated planned investment in other areas, such as the planned SAF production plant discussed in Section B.1.

438. Cashflow varies significantly over the injury period, and the TRA has not drawn any conclusions from this data.

439. Return on investments fell sharply throughout the injury period, which indicates injury to the UK industry.

G1.3.8 Inventories

440. The TRA has examined inventories for the UK industry during the injury period.

Table 25: Inventory

	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
Inventory Indexed	115	100	81	65

Source: UK Producer questionnaire responses

441. Table 25 shows a drop of 50 percentage points in UK industry closing stock from year one to the POI.

442. The stock levels have fallen as UK industry have also reduced production over the injury period. This trend of falling stock levels is a potential indicator of injury to the UK industry.



G1.3.9 Conclusion on economic factors

443. The TRA has completed a holistic assessment of all relevant economic factors impacting the UK industry. The trends show a decline in sales volumes, production output and capacity utilisation, stock levels, net operating profits, return on investments and employment figures.
444. The TRA has determined that the trends for wages are inconclusive.
445. Overall, the above trends lead the TRA to determine that the UK industry is suffering injury.

G1.4. Other factors considered relevant

446. In accordance with regulation 30(2)(d) of the Regulations, in order to determine whether a UK industry has suffered injury, the TRA must consider other factors if deemed relevant. The TRA has not identified any additional factors that it deems relevant for this injury analysis.

G2. Causation and non-attribution

447. In accordance with regulation 35 of the Regulations, injury caused by other known factors must not be attributed to subsidised imports of the goods concerned. The TRA considered whether any other known factors, other than the subsidised imports, caused or are causing injury to the UK industry.
448. The TRA assessed whether causation could be established considering:
- a) Volume and the prices of third country imports
 - b) Contraction in demand or changes in the pattern of consumption of the like goods in the UK
 - c) Inflation
 - d) Feedstock availability

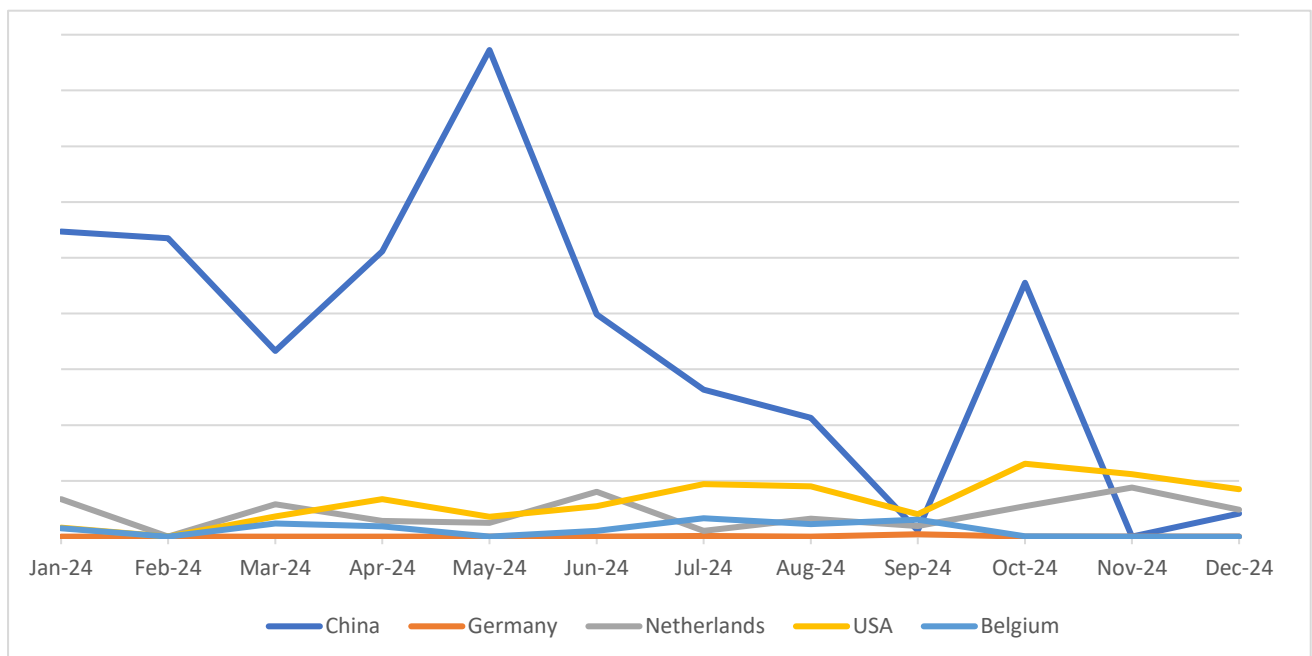
G2.1 Third country imports and prices

449. The TRA examined volumes and prices of imports from third countries to determine whether imports from those countries had caused injury to the UK industry.
450. During the POI, in April 2024, HMRC announced the withdrawal of inward processing relief on biodiesel including HVO entering the UK, which meant that the customs duty (6.5% standard import duty) on imported HVO became payable on import.



451. The SoS applied a registration of imports on imports of biodiesel from the People's Republic of China (PRC) on 17 October 2024.
452. These two events had an impact on imports, most notably on PRC imports, which fell in the POI.
453. Image 5 shows that from a peak in May 2024, imports from the PRC to the UK, fell sharply to a low in September 2024. Before this time the PRC had been the largest country of origin for imports of FAME and HVO. The US and the Netherlands also experienced falls in import volumes to comparable levels in September 2024, leaving the US as the largest country of origin for HVO in September 2024.

Image 5: Top HVO Importers



454. Image 5 shows the US became the single largest country of origin for HVO imports in November 2024. As stated, SoS applied a registration of imports on imports of biodiesel from the PRC in October 2024. In the same month declared imports of PRC HVO spiked before falling to zero in the following month. It is understood that this was due to product held in a restricted/bonded premises being released to avoid potential implication of a duty being imposed on the goods.
455. The TRA examined trade flows of like goods and goods concerned from countries other than the US. There are ongoing biodiesel investigations currently being run by the TRA as there are significant levels of imports from countries other than the US, which includes the PRC. The UK has trade defence



**Trade Remedies
Authority**

measures in place against FAME and HVO biodiesel from Argentina and Indonesia as well as FAME biodiesel measures from the US.

Table 26: Top four third country imports (litres) and the US (all in-scope HMRC 10-digit commodity codes)

Country of origin (Indexed to US year 2)	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
US	47	100	252	345
PRC	109	186	264	171
Netherlands	42	33	33	32
Belgium	6	9	9	6
Malaysia	5	13	10	11

Source: HMRC raw customs declaration data

456. Table 26 shows the top four third country imports of HVO using all in-scope codes, therefore including a significant level of mineral diesel, during the injury period (including blended fuel with a mineral diesel content). Figures have all been indexed to the US (year 2). Excluding the US, the PRC stands as the largest origin of imports over the entire injury period.
457. During the POI, the volume of imports from China fell by 93 percentage points from 2023. This fall in volume corresponds with an increase in UK domestic sales in the POI (see Table 16), despite an overall decrease in UK consumption in the same year (see Table 20).
458. However, imports of US HVO increased at a greater rate than UK domestic sales (see Tables 26 and 16 respectively), rising from 252 in year three to 345 in the POI. *This demonstrated that of the market share lost by China in the POI was not regained by UK producers.*
459. A small amount of the market share lost by the PRC was regained by the UK Industry which was competing with higher levels of cheaper US imports. The US gained a significant portion of market share with imports at a cheaper price. Whilst injury from PRC is a factor the increase in imports at low prices from the US has increased the injury caused by those US imports to UK industry.
460. Although the UK gained some market share, the majority of its sales were still export sales and not domestic. This was due to the price suppression in the domestic market that resulted in sales prices that were not profitable for the UK industry.
461. The TRA has received additional confidential data, which demonstrates a considerable specific volume and number of customers lost by UK industry to imported US HVO.



**Trade Remedies
Authority**

462. The next three largest third countries (Netherlands, Belgium, and Malaysia) imported a total volume across the injury period that was less than 15% of the total combined imports from the US and China.
463. US import volumes have increased significantly throughout the injury period by 298 percentage points, from a negligible quantity in year 1 to the highest volume in the POI and overall. This increase is significant, particularly over a short time frame.
464. Table 26 includes all in-scope commodity codes, which does mean that the volume will include some non HVO product, however the trend that the public data for all codes shows is in common with the confidential raw customs data which does identify HVO more accurately. The TRA considers this trend, and the increase in US HVO import volumes is sufficient to show imports from third countries do not break the causal link, of injury to UK industry caused by subsidised US HVO.
465. However, to consider the position more accurately, the TRA has also analysed the HMRC raw customs declaration data at a 10-digit level for the commodity codes 2710194329 and 2710194339, noting that Malaysia did not have operational HVO plants in 2024. These codes represent the majority of unblended / high level blend HVO imports.

Table 26.1: Top three third country imports (litres) (HMRC 10-digit commodity codes 2710194329 and 2710194339)

Country of Origin (Indexed to US year 2)	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
US	*	100	1,821	3,934
China	11,991	14,046	*	*
Netherlands	300	1,192	3,260	1,651
Belgium	*	490	457	*

Source: HMRC raw customs declaration data

466. Table 26.1 above shows that following 2022, US imports of HVO increased in volume by 3,834 percentage points between 2022 and the POI. In comparison, volumes from the Netherlands (the only other country with full data for the injury period and POI), increased by only 459 percentage points between 2022 and the POI.
467. Tables 27 and 27.1 below show the average import prices per litre for all HMRC 10-digit commodity codes, and for the two 10-digit codes primarily used for imports of HVO from the US.



Table 27: Top four third country imports (£/l) (all in-scope HMRC 10-digit commodity codes)

Country of Origin (Indexed to the US, year 2)	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
US (£/l)	46	100	80	70
China (£/l)	67	100	84	69
Netherlands (£/l)	75	170	113	87
Belgium (£/l)	75	130	114	67
Malaysia (£/l)	92	73	98	122

Source: HMRC raw customs declaration data

468. Imports from the US were cheaper than all other countries in year 3 of the injury period, and the second lowest in year 2. Data for year 1 of the injury period appears to contain anomalies which results in an unrepresentative average price; therefore, this has not been considered. China has the second lowest price per litre in the POI with the US only 1 percentage point higher, with Belgium being the lowest.

469. The average price of imports from the US was significantly lower than Belgium during years 2 and 3, and lower than the Netherlands in years 2 and 4 and showed a decrease as import volumes increased.

Table 27.1: Top three third country imports and US price per litre (HMRC 10-digit commodity codes 2710194329 and 2710194339)

Country of origin (Indexed to the US, year 2)	Year one (2021)	Year two (2022)	Year three (2023)	POI (2024)
US (£/l) Indexed	*	100	116	72
China (£/l) Indexed	38	65	*	*
Netherlands (£/l) Indexed	100	197	99	74
Belgium (£/l) Indexed	*	198	146	*

Source: HMRC raw customs declaration data

470. The low price of US imports has been directly cited as a cause for injury - Argent has stated on its website that a contributing factor to the weakened environment for UK biodiesel is “renewable diesel from the USA, that competes with UK biodiesel. This has resulted in an increase of imports of subsidised US-made product of nearly half a million tonnes.”⁸¹ Greenergy has also stated that its Immingham plant has been negatively impacted by market factors including “competition from subsidised US-origin products.”⁸²

⁸¹ [Argent Energy proposes to end production at its biodiesel plant in Scotland | Argent Energy](#)

⁸² [Greenergy proposes to end production at its Immingham plant](#)



471. The TRA acknowledges the high volumes and low prices of Chinese imports of biodiesel (which is made up of mostly FAME biodiesel), the TRA considers the evidence of increasing volume of imports and low prices of imports from the US, as well as the limited market share gained by the UK due to these imports when Chinese imports decreased, to be evidence of causation. As such, imports from third countries are not considered to break the causal chain.

G2.2 Contraction in demand or changes in the pattern of consumption of the like goods in the UK

472. The RTFO scheme places an obligation on suppliers of road transport fuels (who supply more than 450,000 litres) to demonstrate that a proportion of the fuel they supply comes from renewable sources (blending obligation). Suppliers may meet their obligation by redeeming Renewable Transport Fuel Certificates (RTFCs) or by paying a fixed sum for each litre of fuel for which they wish to 'buy-out' of their obligation.

473. The blending obligation is calculated as a percentage of fossil and renewable fuel supplied. The blending obligation under the RTFO increased over the POI and injury period from 9.75% in 2020 to 13.56% in 2024. The blending target is set to increase further to 17.4% by 2032.⁸³

474. Whilst transport fuel demand may be decreasing overall due to a replacement of diesel vehicles with petrol-hybrids and electric, the blending obligation of biodiesel in vehicles is increasing. Therefore, a sustained demand for biodiesel continues to exist, evidenced by table 20, which shows that UK consumption has increased over the injury period, to year three before reducing slightly in the POI.

475. The TRA does not consider contraction in demand or changes in the pattern of consumption of the like goods to break the causal link between the goods concerned and the material injury suffered by UK industry.

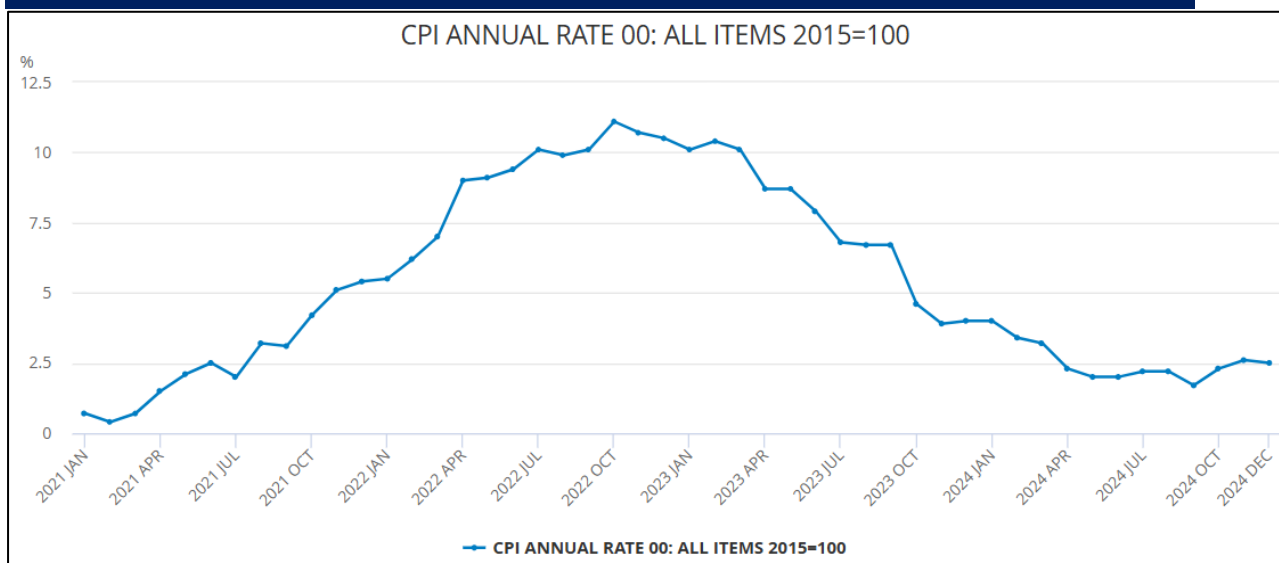
G2.3 Inflation

476. The UK experienced a period of significant inflation during the injury period, peaking at 11.1% in October 2022, see Image 6 below:

⁸³ [RTFO statutory review and future of the scheme - GOV.UK](#)



Image 6: UK inflation during the injury period



Source: Office of National Statistics (CPI ANNUAL RATE 00: ALL ITEMS 2015=100 - Office for National Statistics)

477. Inflation was caused by several economic factors:

- supply chain disruptions during the COVID-19 pandemic, followed by a sudden increase in demand as restrictions eased.
- Russia's invasion of Ukraine; leading to an unprecedented surge in energy prices.
- Employee shortages following the COVID-19 pandemic, driving up wages.

478. High levels of inflation affect the affordability of consumer goods, such as car ownership and fuel consumption. However, as the demand for biodiesel is driven primarily by government mandates, the UK industry is less impacted by inflation in this regard. In the POI, Argus records that the cost of UCO fluctuated by 14% between £725-836 mt⁸⁴, however the fluctuations do not indicate that inflation impacted the feedstock pricing.

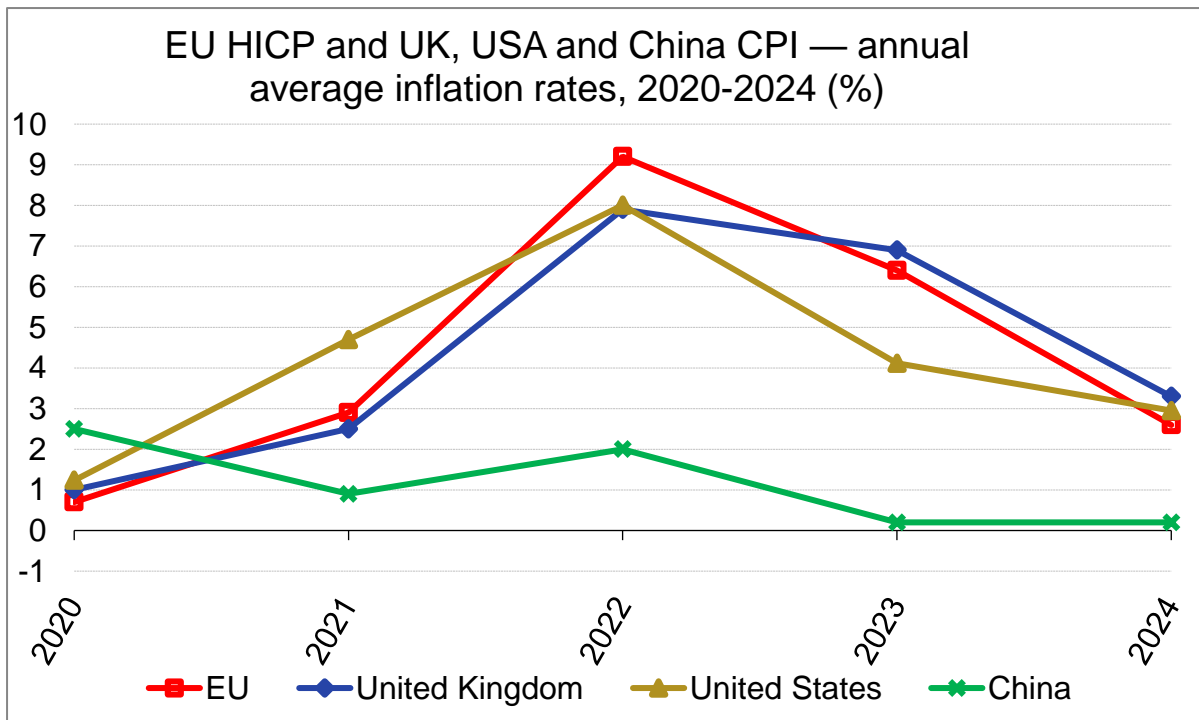
479. Inflated labour, utility and chemical prices are also relatively insignificant to the production costs; production is not labour intensive, and the majority of cost stems from feedstock costs, which represent approximately 70-80% of production.

⁸⁴ [Argus Historical Prices feedstocks HVO 2024.xlsx](#)



480. Inflation rose in the US during this period, as both the Covid-19 pandemic and Russia's invasion of Ukraine were global issues. The US experienced inflation at similar levels to Europe, as shown in Image 7, below:

Image 7: International inflation during the injury period



Source: Eurostat (https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Consumer_prices_-_inflation) and Office of National Statistics ([CPIH ANNUAL RATE 00: ALL ITEMS 2015=100 - Office for National Statistics](https://www.ons.gov.uk/economy/priceindices/cpi/cpiannualrate00allitems2015=100))

481. While inflation may contribute to a state of vulnerability in the UK industry, it is not unique to the UK industry.

482. UK and US inflation rates followed a similar trend across the injury period, as shown above in Image 7. Both experienced an increasing trend to their respective highs in 2022 before both falling from 2022 to 2024. UK inflation rates remained below that of the USA until 2022. From 2022, UK rates decreased to 6.9% compared to US's 4.1%. Both rates fell again in 2024 with the UK's inflation rate (3.3%) slightly higher than the US's (2.9%).

483. The TRA does not therefore consider that inflation breaks the causal link between the goods concerned and the material injury suffered by the UK industry, and notes that the US and the UK experienced similar inflationary events.

G2.4 Feedstock availability



484. One of the main drivers of price for UK producers is feedstock costs, which account for approximately 70-80% of the cost of production. There are two types of feedstocks: waste feedstock and non-waste feedstock. Waste feedstocks include UCO, tallow and food waste. Non-waste feedstocks include virgin oils such as rapeseed or soybean oil.
485. Waste feedstocks make up the majority of biodiesel produced in the UK at 72% in 2023⁸⁵, with UCO representing 70% of biodiesel production.
486. Despite not competing with food crops, waste feedstocks are in short supply which is partly due to limited collection potential in the UK. This limited waste feedstock supply can also be attributed to the use of UCO and animal fats – both types of waste feedstock – exhausting almost 100% of estimated supplies in forecasts up to 2027⁸⁶.
487. Crop feedstock has a fundamental place in food production, and therefore biodiesel producers must compete with the food industry for the supply of crop feedstock. This is another limitation on raw material supply.
488. The European Federation for Transport & Environment report that countries in Europe consumed close to eight times higher than the collected volumes estimates in 2023 and four times the continent's maximum potential, with demand growing much faster than domestic supply.⁸⁷
489. With crop feedstock competing with food crops and waste feedstock in limited supply, new technologies for biodiesel production need to begin at scale to expand the range of available waste feedstocks, and this would require significant investment. Without this investment, the UK industry must rely on imports from the heavily competitive and changeable waste-feedstock market for its main raw material.
490. Post Brexit, the UK has been unable to import category 1 tallow from the EU, due to EU regulations. Argent cites the inability of the UK to import category 1 tallow as a contributing factor to the weakened environment for UK biodiesel.
491. However, tallow is not the only feedstock used by the UK industry and the issue of feedstock availability is not specific to the UK, but an issue faced by biodiesel producers globally.
492. The UK biodiesel industry informed the TRA that it has thin profit margins based around the difference between the domestic biodiesel price and the price of feedstock, which is largely imported. Large fluctuations in feedstock price would leave the UK industry vulnerable to the impact of subsidised imports from

⁸⁵ [Renewable fuel statistics 2023: final report - GOV.UK](#)

⁸⁶ [Is the biofuel industry approaching a feedstock crunch? – Analysis - IEA](#)

⁸⁷ [UCO \(Unknown Cooking Oil\): High hopes on... | Transport & Environment \(transportenvironment.org\)](#)



the US. However, as all countries are affected similarly by fluctuations in feedstock price, it does not break the causal link.

493. We do not consider feedstock availability to break the causal link between the goods concerned and the material injury suffered by UK industry.

G2.5 Comments on injury and causation

494. The TRA received comments regarding injury to UK industry. These comments came in a dual submission from DGD and Valero.

495. DGD and Valero state that the lower price of US HVO, that was sold in the UK, was a “temporary and isolated market phenomenon... driven by increased production capacity and reduced demand”. However, this was not indicative of price cutting, because HVO prices increased in the fourth quarter of 2024 and have remained higher in 2025.

496. DGD and Valero also state that the TRA should recognise that the brief period when US HVO was sold at a similar price level to FAME is “insufficient to connect the situation of the UK FAME industry in years 2021-2024 to imports of US HVO”

497. The TRA has examined the effect of the lower US import price of HVO on UK industry in sections G1.2.1 price undercutting and in G1.2.2 price depression and in G1.2.3 price suppression. The TRA has shown in section G1.2.2 that the lower unit price of US imports was sustained over the four-year time period of the IP. The US import price was lower per litre than UK FAME sales price for all years of the IP. As such, it is not considered to be an isolated market phenomenon.

498. The TRA selected a POI and IP I line with the regulations and has examined data over the entire IP (1 January 2021 to 31 December 2024) as per Regulation 30(4) of the D&S Regulations. The TRA considers this to be adequate scope on which to base its conclusions. The findings in Section G of this SEF demonstrate that injury occurred over a sustained period.

499. DGD and Valero also contested that the injury could not be attributed to imports of HVO from the US, but is instead due to;

1. The increased level of biodiesel imports from China between 2022 and 2023 at dumped prices.
2. UK FAME producers exporting their product rather than selling domestically during the period when duties on US HVO were in place.
3. Rising costs of raw materials and energy for the UK FAME industry.
4. The regulatory framework negatively affecting the UK FAME industry by allowing co-products to double count towards meeting the RTFO, allowing



renewable fuels to enter the UK tariff free and not increasing the RTFO targets.

5. Global market dynamics that caused fluctuations in international prices for biofuels and their raw materials.

500. (1) The TRA has examined the effect of PRC imports in section G2.1. The TRA acknowledges that PRC imports are one source of injury to the UK FAME industry even after a decline in imports. However, injury to the UK industry from HVO imports from the US has been found to continue after the decline in imports from the PRC. The TRA does not consider the existence of imports from the PRC to break the causal link between injury to UK industry and imports of US HVO.

501. (2) The export of product by UK producers has been examined in section G1.3.1. The UK industry has exported to international markets, due to cited competition of lower priced imports within the UK.

502. (3) The effect of costs of raw materials and energy has been discussed in section G2.4. The TRA does not consider this factor to break the causal link between the subsidised imports and the material injury suffered by UK industry. (4) DGD and Valero assert that the UK regulation framework is not doing enough to protect the UK FAME industry by not increasing the renewable fuels mandate and by allowing double counting. It is not in the scope of this investigation to critique the RTFO mandate or to be forward looking in regards to potential changes to this mandate. The TRA has considered the effect of the RTFO mandate, and its increase in section G2.2. As mentioned, a sustained demand for biodiesel continues to exist, evidenced in table 20, which shows a rise in UK consumption during the injury period.

503. (5) The TRA has examined a wide range of market factors in the above injury section in order to prove the causal link between imports of US HVO and injury to the UK FAME industry. The TRA is confident in its assertion of this causal link.

G3. Conclusion

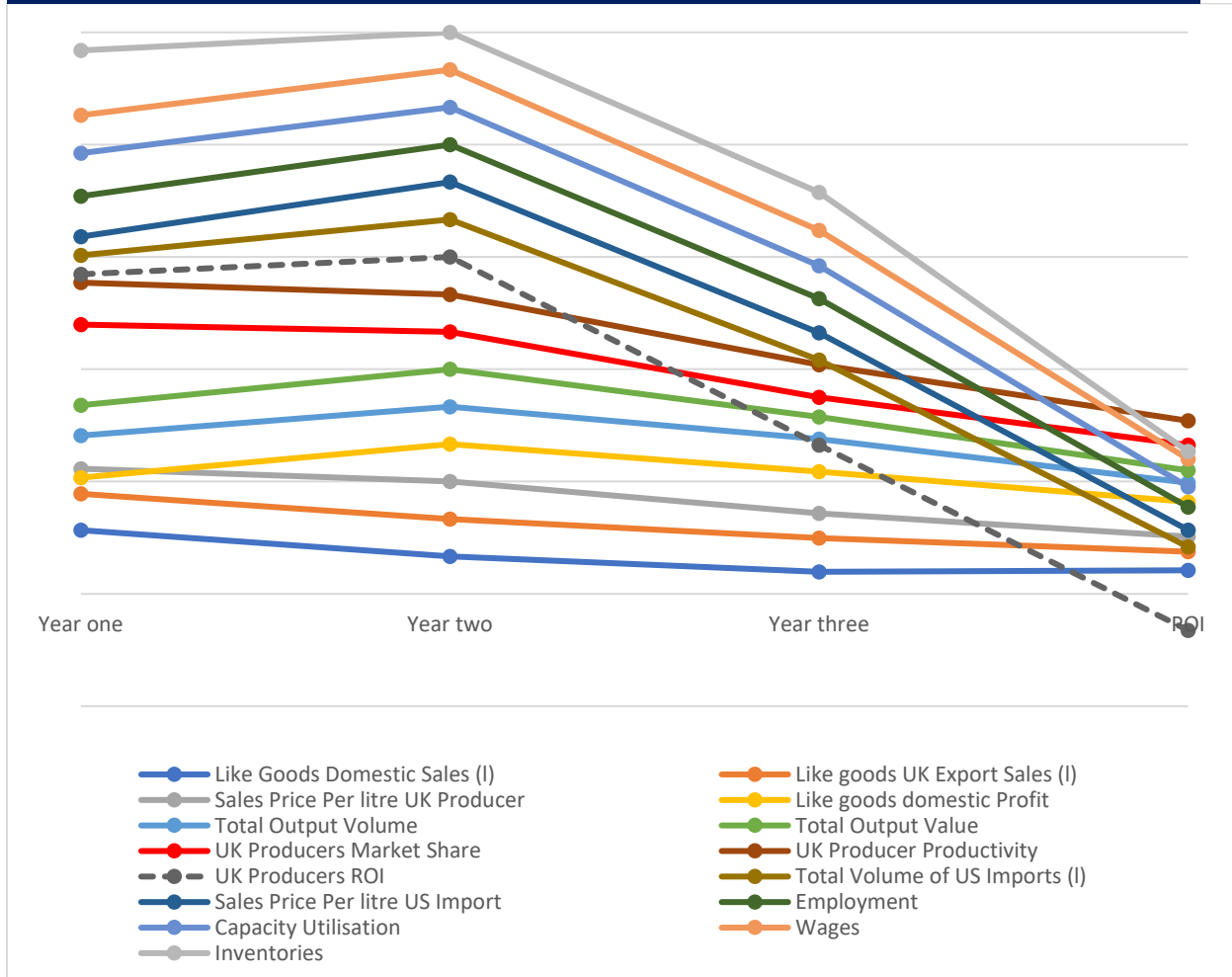
504. The TRA has considered all the evidence provided by the parties registered to the case, along with HMRC and third-party data, in a holistic assessment of injury.

505. Image 8 below shows the trends of the indexed injury factors trends discussed in this section. The graph illustrates the worsening situation for UK producers across the IP. From the indexed trends below, we can see there is a uniform downwards trend of assessed injury factors. This is particularly evident



in the return on investment trend line, which rises slightly to year two before experiencing a sharp fall year on year.

Image 8: UK Producer Injury Factors Summary



506. The evidence in section G1.1 demonstrates significant increases in absolute volume of imports from the US, as well as significant increases relative to UK production and consumption. In addition, it shows low average US import prices, along with evidence of significant undercutting during the injury period, and price suppression to a significant degree.

507. The TRA assessed the trends of economic factors having a bearing on UK producers throughout the injury period and found that sales volumes and value, production output and capacity utilisation, net operating profits, return on investments and employment figures led the TRA to determine that the UK industry is suffering injury.

508. The following factors could not be used to determine whether or not injury was being caused: wages and inventories.



509. The TRA considered whether any other known factors caused injury to the UK sufficient to break the causal link. It was determined that, while imports from third countries did cause injury, it led to increased vulnerability for the UK industry and did not break the causal link. No other factor was found to have broken the causal link. Furthermore, the fall off of third country imports discussed in section G2.1 combined with the low price of US imports, lead to the US becoming a more prominent source of the injury.
510. It is concluded that the UK industry has suffered injury during the injury period caused by the subsidised goods concerned.
511. The above evidence indicates that the UK industry is suffering material injury. The TRA therefore determined that it was not necessary to investigate whether there is also a threat of material injury to the UK industry.

G4. Injury margins

512. The injury margin represents the extent to which the UK industry is being injured. The default method is to base the injury margin for each exporter on its underselling margin. This is calculated by comparing a benchmark UK price (the target price) with the CIF import price (the landed price) for each PCN. The target price is the price that a UK producer would expect to sell its like goods at if it were not being affected by the subsidised goods. The total amount of underselling is then expressed as a percentage of the total CIF import value of the goods concerned. This method was used to calculate an injury margin for each cooperating exporter.
513. Regulation 38(3) of the Regulations states that the TRA may determine the residual amount using any reasonable means.
514. In line with regulation 38(4) of the Regulations we determined the residual margin taking into account information contained in the UK producer's and US exporter's questionnaires.
515. The TRA calculated a residual injury margin for overseas exporters where it has not determined an individual subsidy amount, and the exporter is not a non-sampled overseas exporter within the meaning of regulation 37 of the Regulations.



516. The intended injury margins are shown in Table 28 below:

Table 28: Intended injury margins	
Overseas exporter/producer	Injury margin (%)
Diamond Green Diesel (DGD)	51.07%
Phillips 66 (US) (P66)	60.44%
St Bernard's Renewables (SBR)	70.45%
All other overseas exporters (Residual Injury Margin)	70.45%



Section H: Lesser duty rule, alternative measures and forms of measures

H1.1 Lesser Duty Rule

517. The TRA calculated subsidy amounts and injury margins for DGD, P66 and SBR. For all other overseas exporters, who did not participate in the investigation, a residual rate has been calculated.

518. Table 29 below provides the comparison of the subsidy and injury margins, and the implementation of the lesser duty rule to arrive at an estimated countervailing amount that is the lesser amount.

Table 29: Countervailing amount			
US exporter	Subsidy margin	Injury margin	Countervailing amount / Amount of guarantee
DGD	23.80%	51.07%	23.80%
P66	24.41%	60.44%	24.41%
SBR	24.87%	70.45%	24.87%
All other exporters (residual amount)	25.97%	70.45%	25.97%

H1.2. Forms of Measure

519. The TRA has considered a number of options in respect of a proposed measure on biodiesel. Its starting assumption should be that any measure is calculated as an ad valorem duty but it may recommend another type of measure if it considers it appropriate. In this investigation it has become evident that the benefit to US exporters is provided as a fixed sum for a given quantity of fuel that is blended. The TRA consider that the Ad Valorem duty was therefore less suitable than other options.

520. The TRA considers that a fixed duty is more targeted in addressing the benefit that US producers are able to attain through subsidy programmes as the subsidies are provided on a \$ per volume basis.

521. The fixed duty was calculated by multiplying the average annual price of HVO per exporter, by the subsidy margin calculated. This was converted using the average annual exchange rate between the US \$ and UK £, to provide a £ per US gallon, and then adjusted to mass in kg.



522. The fixed duty will be applied at the rates outlined in Table 30.

Table 30: Countervailing amount as a fixed duty		
US exporter	Subsidy margin	Countervailing amount Fixed duty rate in £ per 1000kg
DGD	23.80%	£265.82
P66	24.41%	£257.80
SBR	24.87%	£258.10
All other exporters (residual amount)	25.97%	£303.56

H2. Registration of Imports

523. Following the registration of imports as detailed in C2.2, the TRA received import data regarding the goods concerned from HMRC for the period July to end of August 2025.

524. The data collated is confidential in nature, however table 31 below provides a non-confidential indexed summary of the data.

Table 31: Monthly comparison of UK imports of HVO from the US, (indexed to 2024 monthly)									
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2025	341	-	96	141	209	-	110	270	128
2024	100	-	100	100	100	-	100	100	100

Source: HMRC Raw customs declaration data

525. Table 31 provides an indexed view to 2024 of the imports from the USA.

There were no recorded imports in February 2024, although there were imports in 2025, a comparison could not be drawn. For June 2024 the data was suppressed.

526. Data provided immediately following the registration of imports has indicated a surge in imports has occurred during August 2025. However the data for one month is not an indication of a trend, and the data is inconclusive at the time of drafting. Therefore, the conditions set out in regulation 92 of the Regulations, governing the power of the TRA to recommend that application of an additional amount of import duty be backdated to a date before the beginning of the period of the provisional remedy, are not met at this point.



527. The TRA will analyse the data available after the date of registration of imports up to the date of any provisional measure coming into force when/if available, prior to making its final recommendation. At that point the TRA will determine whether to recommend, to the Secretary of State, that the application of an additional amount of import duty be backdated to such an earlier date as part of its final determination. If the TRA deems that there is evidence to support such a backdating of the application of an additional amount of import duty, we will publish a public notice to this effect, giving time for interested parties to view and respond.
528. DGD and Valero submitted comments on 23 September 2025 in which they state that the decision to register imports of HVO from the US has reduced the volume of imports, which may have consequences for the availability of HVO in the UK. The TRA notes the comment made by DGD, and also notes that the imports of HVO from the USA have continued during 2025. The TRA does note that the total sales volume in 2025, up to September 2025 exceeds the total imports for the full year of 2024.



Section I: Economic Interest Test

I1. Introduction

529. The aim of the Economic Interest Test is to determine whether the application of the proposed countervailing measure on HVO originating from the US is in the wider economic interest of the UK.

530. In accordance with paragraph 25 Schedule 4 to the Act, the EIT is met in relation to the application of a countervailing measure if the application is in the economic interest of the UK. The test is presumed to be met unless we are satisfied that the application of the remedy is not in the economic interest of the UK.

531. In line with paragraph 25 of Schedule 4 to the Act, the TRA has taken account of the following in conducting the EIT:

- the injury caused to the UK industry by the subsidised imported goods and the benefits to that UK industry in removing that injury;
- the economic significance of affected industries and consumers in the UK;
- the likely impact on affected industries and consumers in the UK;
- the likely impact on particular geographic areas, or particular groups, in the UK;
- the likely consequences for the competitive environment, and for the structure of markets for like goods, in the UK; and
- such other matters as the TRA considers relevant.

I1.1 Evidence Base

532. In addition to pre-sampling questionnaires (PSQs) and questionnaires, the TRA conducted a survey of downstream businesses which purchase HVO. We did this to help us understand the likely impacts of a measure on this part of the



UK's biodiesel supply chain. A summary of the results of the survey was published⁸⁸ to the public case file on 18 September 2025.

533. We have supplemented the above evidence with our own background research and collated additional information from other data sources. These included reputable market data providers such as Dun & Bradstreet and Argus. In addition, we used UK government data such as DfT's RTFO⁸⁹ fuel statistics and HMRC trade statistics.

12. Injury caused to the UK industry by the imported goods and the benefits of removing that injury

534. In [section G](#), the TRA found that the UK industry has been suffering material injury from subsidised HVO imports from the US. The injury assessment concluded that there would likely be further injury if a measure was not imposed.

535. In [section I4](#), we evaluate the benefits of removing injury to the UK industry.

13. Economic significance of affected industries and consumers in the UK

536. We have identified the following groups across the UK biodiesel supply chain as potentially being affected by the measure. We have attributed all known businesses to one of these groups based on their principal activity to avoid double counting. We have not included UK importers of FAME, as we do not consider them to be significantly impacted by the measure on US HVO.

- **UK upstream:** suppliers of input raw material “feedstocks” in the form of used cooking oil (UCO), tallow or other waste such as fats and oils;
- **UK producers:** of FAME biodiesel;

⁸⁸<https://www.trade-remedies.service.gov.uk/public/case/AS0067/submission/4f3f010c-1818-4b87-9701-68f26c65ced8/>

⁸⁹<https://www.gov.uk/government/collections/renewable-transport-fuel-obligation-rtfo-statistics>



- **UK importers:** of HVO purchased pure or blended with mineral diesel;
- **UK downstream (lower-blend users):** businesses or suppliers who sell biodiesel blended with mineral diesel at lower-blends through fuel forecourts or other distribution networks, to consumers who are broadly unaware of their consumption;
- **UK downstream (higher-blend users):** mostly Heavy Duty Vehicle (HDVs) or machinery operators who purchase biodiesel blended with mineral diesel at higher-blends, or in pure form, for use in compatible engines, including for fleet and public transport; and specialist fuel suppliers who may also supply higher-blends for other uses, such as 'off-grid' home heating.
- **UK consumers:** direct end-users of either blended or pure biodiesel as a fuel; or indirect end-users consuming products where biodiesel has been used for transport or as energy in the production of goods or services.

537. We have identified businesses in each of these groups and looked at a selection of them because it was not feasible to fully investigate all known businesses given case time constraints. For each selected business, we looked at the five most recent published accounts and calculated annual average figures over this period.

13.1 UK producers

538. Through research and submitted evidence, we identified three large UK producers of FAME biodiesel. We have received producer questionnaires from two of these – Argent Energy and Greenergy.

539. We concluded that the product is very important for these producers, based upon their sales of blended biodiesel relative to their total turnover. We concluded that they are highly vulnerable to negative economic shocks, based upon negative profit margins.

540. Recent financial data for these producers suggests that they have a lower significance to the UK economy than some parts of the biodiesel supply chain,



with total employment of around 360, annual Gross Value Added (GVA) of £26m, and £109m in annual turnover.

13.2 UK upstream businesses

541. From UK producer questionnaire responses, we identified 30 UK businesses that sell the raw materials required for domestic producers to manufacture biodiesel.
542. We selected nine upstream businesses for further investigation, who each represented a minimum of 1% of known purchases made by UK producers. We removed three businesses due to data availability and size.
543. We judged that the UK production of biodiesel was important to the remaining six businesses, given their sales of raw materials to biodiesel producers as a proportion of their total turnover. We also concluded that they are likely to have a medium vulnerability to economic shocks.
544. Recent financial data for this group suggests that they have medium significance to the UK economy, when compared to other parts of the biodiesel supply chain, with total employment of around 1,350, annual GVA of £151m and annual turnover of £6,488m.

13.3 UK importers

545. We were unable to identify importers using HMRC trader data because the data included many goods which are out of scope of the measure. We instead identified HVO importers by looking at those who engaged with the case and self-identified as importers through PSQs and questionnaire responses. In total we found 10. We selected five importers for further investigation, which each captured a minimum of 1% of the known import market.
546. On aggregate we found HVO was somewhat important to these businesses, based upon biodiesel sales as a proportion of total sales. We found these businesses to have low vulnerability to economic shocks with stable positive profit margins.
547. Recent financial data for this group suggests that it has a higher significance to the UK economy than some parts of the biodiesel supply chain, with total



employment of around 2,100, annual GVA of £2,373m and annual turnover of £26,215m.

13.4 UK downstream businesses

548. We split the downstream businesses into two groups which we believe would respond differently to a measure: users of lower-blends and users of higher-blends. Higher-blend users are likely to more actively consider their biodiesel consumption and are also more likely to prefer HVO which is easier to use than FAME at higher blends. Lower-blend users are more likely to be motivated by choosing the cheapest available fuel, primarily consume forecourt B7 fuel, and are likely to be indifferent between whether they use HVO or FAME biodiesel.

549. We identified over 900 downstream businesses. We selected 40 for further investigation who each represented a minimum of 1% of known FAME or HVO biodiesel purchases, or who responded to our downstream survey. After we removed those for which we either had insufficient or anomalous data, there were 30 businesses remaining.

550. We split these downstream businesses between the lower-blend and higher-blend groups. This was done using our understanding of their purchases from importer and producers, considering their biodiesel expenses as a proportion of their total costs and through desk research. Of the downstream businesses we identified, we concluded that predominantly 19 were lower-blend users and 11 were higher-blend users.

13.4.1 UK downstream (lower-blends)

551. Having compared biodiesel purchases to total costs, we concluded that biodiesel is somewhat important to the 19 businesses identified. We consider the group to have low vulnerability to economic shocks, given strong profit margins.

552. Recent financial data for this group suggests that it has a higher significance to the UK economy than other parts of the biodiesel supply chain, with total employment of around 389,370, annual GVA of £12,953m and annual turnover



of £97,491 million. These values are inflated by two large supermarkets, but the conclusions are unchanged even if these businesses are removed.

13.4.2 UK downstream (higher-blends)

553. Having compared biodiesel purchases to total costs, we concluded that biodiesel is very important for the 11 selected businesses. We consider the group to have a medium vulnerability to economic shocks, given low profit margins.

554. Recent financial data for this group suggests that it has a medium significance to the UK economy when compared to other parts of the biodiesel supply chain, with total employment of around 7,860, annual GVA of £386m and annual turnover of £2,448m.

13.5 UK consumers

555. Through desk research, we have sought to understand the characteristics of consumer groups who might be affected by a measure on biodiesel. We identified four key groups:

- **Diesel car users:** DfT figures⁹⁰ indicate that there were 10.6 million diesel cars in Q1 2025. We believe this group consumes biodiesel in lower-blends.
- **Users of products or services where diesel Heavy Goods Vehicles (HGVs), Light Good Vehicles (LGVs) or Other Vehicles⁹¹ (e.g. those in construction) have been part of the transportation or production process:** DfT figures indicate that there were 5.7 million of these diesel vehicles in Q1 2025, with diesel engines being by far the preferred type for this group of vehicles. We expect the majority of this group to be lower-blend users, although a sizable proportion may use higher-blends.
- **Users of diesel-powered public services or public transport:** DfT figures indicate that there were 133,600 diesel buses and coaches in Q1 2025. This

⁹⁰<https://www.gov.uk/government/collections/vehicles-statistics#latest-vehicle-licensing-statistics>

⁹¹<https://www.gov.uk/government/publications/vehicles-statistics-guidance/vehicle-licensing-statistics-notes-and-definitions>



group is similar to the group outlined above but we expect a larger proportion will choose to consume more biodiesel, actively publicising their higher blend consumption. Examples of this type of supplier are Chiltern Railways⁹² and Transport for London⁹³.

- **Environmentally conscious consumers:** We expect this group to make consumption decisions based upon 'green' or environmental concerns. As a result, they are more likely to be consumers of higher-blends of biodiesel. We do not have an estimate for the size of this group, as it is likely to contain customers with a range of preferences. This group can be split into 'higher-blend' users, who on aggregate are likely to prefer HVO over FAME; and the 'highest-blend' users who may only be able to consume HVO blends or pure HVO. This includes applications such as off-grid heating, where pure HVO may be the only viable biofuel option.

13.6 Summary

556. Table 32 summarises our analysis of the business segments of the biodiesel supply chain.

557. Our economic significance assessment shows that UK producers had a lower significance to the UK economy than other parts of the biodiesel supply chain, upstream businesses had a medium significance, and importers of HVO and the downstream businesses groups, aggregated, had higher significance.

558. We found that biodiesel was very important to UK producers and high-blend users and somewhat important to upstream businesses, importers and low blend users. UK producers were highly vulnerable to economic shocks.

559. We estimate there to be at least 10.6 million direct UK biodiesel end consumers, in the form of car users, which we consider to be significant.

⁹²<https://news.arriva.co.uk/news/arriva-groups-chiltern-railways-signs-lease-agreement-for-modernised-fleet>

⁹³<https://tfl.gov.uk/info-for/media/press-releases/2015/december/one-third-of-london-s-buses-to-run-on-waste-fats-and-oil>



Table 32: Economic significance of affected industries

Supply-chain part	UK producers	UK importers	UK upstream	UK downstream (lower-blends)	UK downstream (higher-blends)
Known	3	10	30	Over 900	
Assessed at SEF ¹	2	5	6	19 ²	11
Importance of HVO or FAME²	Very Important	Somewhat Important	Somewhat Important	Somewhat Important	Very Important
Total Employment ⁴	358	2,075	1,346	389,368	7,863
Total GVA ⁴	£26m	£2,373m	£151m	£12,953m	£386m
Total Turnover ⁴	£109m	£26,215m	£6,488m	£97,491m	£2,448m
Relative economic significance	Lower	Higher	Middle	Higher	Middle
EBITDA, 5-year weighted average ⁵	-6.9%	3.7%	0.9%	4.8%	2.7%
Vulnerability to economic shocks	High Negative and worsening profit margins	Low Low to medium profit margins, very stable over last 5 years	Medium Small businesses with low or negative profits; larger businesses healthy positive profits.	Low Good profit margins, high yearly variability	Medium Low profit margins

Source: Importer & Producer Questionnaires; and Dunn & Bradstreet

¹ Businesses excluded include: (i) where data was unavailable; (ii) where data presented anomalies; and/or (iii) where they were judged to be to be less relevant for analysis. Where possible we have included businesses with partially complete data with the aim of achieving the best segment representation.

² Two large supermarkets with forecourts distort metrics, e.g. they represent 97% of total employment for this group, however they do not change conclusions reached.

³ For producers, importers and upstream this metric is like good or feedstocks sales against turnover. For downstream this value uses cost of biodiesel against cost of goods sold.

⁴ Sum of average over the last 5 years where accounts were available.

⁵ Values are weighted by revenue for UK producers, importers and upstream; and by cost of goods sold for downstream groups.

Methodology: GVA was estimated by summing operating profits, employment costs, depreciation and amortisation. Average EBITDA margin was estimated by dividing the sum of operating profit, depreciation and amortisation by turnover. The assessment of vulnerability to negative economic impacts was made by looking at financial data and trends.



14. The likely impact of the measure on affected industries and consumers in the UK

560. This section assesses the overall impact that the proposed measure might have on the affected groups identified. We do this by looking at how prices and quantities of goods in the supply chain might change if the proposed measure is not imposed ('no measure' scenarios), and if it were imposed ('measure' scenarios). We assess a range of scenarios due to the uncertainty around the effects of the measure. The likely impact is expected to be within the range of these future states.

14.1 Evidence and key assumptions

561. Costs, prices and sales of biodiesel for UK producers are sourced from questionnaire and PSQ responses. Due to a lack of evidence on future price trends, we have assumed that prices will remain constant over time. We assumed that a high proportion of any duty is passed onto market segments downstream of production (between 75% and 100%). This aligns with internal research by the Department for Business and Trade (DBT).

562. We assumed that producer marginal costs (costs for each additional metric tonne of biodiesel produced) are equivalent to their variable costs. Where producers might exit the market, we assumed that their marginal costs are equal to their total costs. We assumed raw materials and energy were variable costs while labour, maintenance, and other capital costs were fixed.

Elasticities

563. We expect total consumption of biodiesel in the UK to change proportionally with diesel consumption. This is due to the RTFO which sets an obligation that major fuel suppliers must supply a defined percentage of the fossil fuels they supply to the UK market in biofuels. Biofuels are more expensive than fossil fuels, so it is unlikely that fuel suppliers will choose to exceed this level. Therefore, if a fuel supplier is currently able to sell biofuels at higher-blends, e.g. 20%, we expect they will seek to reduce their costs by blending lower amounts of biofuels into their lower-blend fuels, or by selling



spare credits (RTFCs) to other producers, leading those producers to reduce their biodiesel supply.

564. As renewable fuel supply is held roughly constant through the RTFO, and the consumption of fuel is largely inelastic, we have assumed that biodiesel consumption for low blend users has a price elasticity of demand (PED) within the range of 0 to -0.5, which is similar to that of diesel⁹⁴. This means that demand for biodiesel is not likely to change significantly in response to changes in the price of biodiesel.

565. We believe demand for higher-blends is more elastic than demand for lower-blends. This is because users have the option to switch from higher-blends to lower-blends as the price rises. Lower-blend users have no option to substitute and so would instead need to choose to consume less fuel. However, we do not believe that this group will be highly elastic. Commitments to use higher-blend biodiesel in contracts, public statements, or in corporate planning may limit substitution to lower-blends. In addition, higher-blend users, particularly those using the highest-blends are likely to face greater barriers to change in consumption patterns, as FAME and HVO are not perfect substitutes at the highest-blend ratios. We have therefore assumed the PED for this group to range from -0.75 (inelastic) to -1.5 (elastic).

14.2 Expected impacts if the measure is not implemented

566. We considered one scenario to show the impacts of not imposing a measure.

Scenario B1: All but one UK producer exits the market. Market shares of exiting UK producers are allocated proportionally to the remaining UK producer, US suppliers and third country suppliers.

567. To assess which producers are most at risk, the TRA assessed a number of financial indicators⁹⁵ where data was available. This assessment suggested that two UK

⁹⁴ One such figure provided in Little Huntington 2020:
<https://www.sciencedirect.com/science/article/abs/pii/S0140988322004157>

⁹⁵ The following financial indicators were calculated for all UK producers for the last five years where data was available: Altman Z-score, Taffler Z-score, debt to equity ratio, debt to assets ratio, current ratio, quick ratio and working capital to total assets.



producers were more at risk of exiting the market so we consider it likely that the other UK producer may remain in the market even without a measure.

14.3 Expected impacts if the measure is implemented

568. We considered four scenarios to show the potential effects of a measure being imposed. It is unlikely that any of these scenarios represent the exact impact of the proposed measure, but actual impacts are very likely to fall somewhere between them. We have not included any scenarios where UK producers do not raise their prices, as we think they will need to, on average, to enable them to stay in the market.

569. We are unable to assess the economic impacts of the new CFPC subsidy in advance of its introduction. Initial information suggests that the CFPC will be more limited in scope than the BTC. Therefore, the new CFPC may mean there is an increased likelihood that US exporters exit the market compared to with the BTC subsidy.

Scenario A1: All UK producers, US suppliers and third country suppliers stay in the market and raise their prices by the value of the measure. Market shares remain constant.

570. In this scenario US suppliers will raise their prices in line with the level of the measure and UK producers, and third country suppliers will match this price rise. Given that all groups raise their prices, we expect market shares to remain constant.

Scenario A2a: All US suppliers leave the market. UK producers raise their prices to the average for third country suppliers. Market shares of exiting US suppliers are allocated proportionally to UK producers and third country suppliers.

571. In this scenario UK producers raise their prices to the average of third country suppliers. They do this as they are no longer suffering injury from US HVO imports. Third country suppliers keep their prices at pre-measure levels. UK producers and third country suppliers proportionally take the previous US market share, as US suppliers exit the market. This scenario assumes outstanding demand resulting from the exit of US HVO can be met by UK FAME production and third country HVO supply interchangeably.



Scenario A2b: All US suppliers leave the market; UK producers raise their prices to the average for third country suppliers. Market shares of exiting US suppliers are allocated to third country suppliers.

572. As in the previous scenario, US suppliers leave the market and UK producers raise their prices. However, in this scenario, we assume the outstanding demand created as a result of US suppliers leaving the market is taken up by third country suppliers only. This would be the case if UK consumers of US HVO are unwilling or unable to switch to FAME.

Scenario A2c: All US suppliers leave the market; UK producers raise their prices to the average for third country suppliers. Exiting US suppliers' sales to lower-blends are allocated proportionally to UK producers and third country suppliers; whilst sales to higher-blends are allocated to third country suppliers.

573. Again, in this scenario, US suppliers leave the market and UK producers raise their prices to match those of third country suppliers. We then assume that consumers of HVO in lower blends would be equally willing to consume biodiesel from the UK or third country, and consumers of HVO in higher blends would only be willing to consume HVO from third countries. We estimate around one-third of biodiesel consumption in the UK currently happens in higher-blends, and two-thirds in lower-blends.

574. We consider scenario A2c to be our 'central' measure scenario, as we believe it is the most likely of the scenarios modelled.

14.4 Estimated welfare impacts of a measure on affected UK producers and downstream market segments

575. We estimated welfare impacts for each scenario by looking at the change in UK producer surplus and consumer surplus. Producer surplus includes benefits for upstream groups. Downstream consumer surplus includes all consumers of biodiesel, whether be this directly in the form of fuel; or indirectly, where biodiesel is used as an input energy source.



576. Producer surplus is the benefit producers gain when they sell a product, e.g. profit; and consumer surplus is the benefit users gain when they consume a product. Change in surplus was estimated using the following formulae:

$$\Delta \text{Consumer Surplus} = -\frac{1}{2} * (Q_{\text{Tariff}} + Q_{\text{No Tariff}}) * (P_{\text{Tariff}} - P_{\text{No Tariff}})$$

$$\text{Producer Surplus} = (\text{Price per unit} - \text{Marginal cost}) * \text{Quantity sold}$$

Where:

$$Q_{\text{Tariff}} = \text{Quantity of Biodiesel consumed with a tariff}$$

$$Q_{\text{No Tariff}} = \text{Quantity of Biodiesel consumed without a tariff}$$

$$P_{\text{Tariff}} = \text{Price of Biodiesel consumed with a tariff}$$

$$P_{\text{No Tariff}} = \text{Price of Biodiesel consumed without a tariff}$$

577. Table 33 below shows the welfare impacts for each of the modelled scenarios. It estimates welfare impacts based upon the rate of the measure.



Table 33: Estimated annual welfare impact of the proposed measure, £m

Table 33: Estimated annual welfare impact of the proposed measure, £m	
Counterfactual = B1	
Scenario A1	
UK Producers	£7.79m to £14.73m
Downstream	£-354.22m to £-259.3m
Overall impact	£-339.49m to £-251.51m
Scenario A2a	
UK Producers	£3.66m to £3.79m
Downstream	£-49.47m to £-49.37m
Overall impact	£-45.71m to £-45.68m
Scenario A2b	
UK Producers	£2.58m to £2.65m
Downstream	£-37.32m to £-37.32m
Overall impact	£-34.75m to £-34.67m
Scenario A2c (central / most likely)	
UK Producers	£4.95m to £5.10m
Downstream	£-37.32m to £-37.24m
Overall impact	£-32.29m to £-32.22m

578. The scenarios presented and their associated welfare impacts are modelled against the ‘no measure’ scenario B1. As such, both the negative and positive impacts are relative to the market situation outlined in I4.2.

I4.4.1 UK producers and UK upstream businesses

579. We estimate that implementing the measure could provide UK producers and the UK upstream with welfare benefits of between £2.6m and £14.7m per year. The lowest impacts are seen in scenario A2b, where third country HVO producers capture all US market share, but UK producers are still able to raise prices due to reduced competition. The highest impacts are seen in scenario A1 where all suppliers remain in the market and UK producers are able to increase their price in line with the measure.

I4.4.2 UK downstream businesses, importers, & consumers

580. We estimate that implementing the measure could cost the UK downstream businesses, importers, and consumers between £354.2m and £37.2m per year in



welfare. The smallest impacts are seen in scenario A2b, where average biodiesel price increases are at their lowest. The highest impacts are seen in scenario A1 where the price of biodiesel increases most.

581. In scenario A1, we estimate standard fuel cost 'B7' diesel prices could rise by 0.35% to 1.02% as the result of the proposed measure. This would be equivalent to additional annual fuel costs of £9.44 to £27.22 per vehicle⁹⁶. With the data available, we are not able to calculate price effects for other scenarios.

14.4.3 Overall welfare impacts

582. Overall, implementing a measure is likely to lead to a significant welfare loss of between £32.2m to £339.5m per year. The average welfare impact across all scenarios is a cost of £185.9m per year. In our central scenario, there is an overall cost of £32.3m per year. The worst scenario for overall impacts is A1, where all producers retain existing market shares, increasing their prices in line with the measure applied.

15. The likely impact of the measure on particular geographic areas, and particular groups

15.1 Likely impact on particular areas

583. This section examines how the impacts of a measure are likely to be distributed geographically.

584. We have assessed geographic impacts using employment and indicators of deprivation at a Travel to Work Area (TTWA) level for Great Britain, and Local Government District (LGD) level in Northern Ireland.

585. The data used for the geographic significance analysis was sourced through questionnaire responses, Dun & Bradstreet, ONS estimates of working age population

⁹⁶ This figure was estimated using DfT vehicle licencing and RTFO statistics
<https://www.gov.uk/government/statistical-data-sets/vehicle-licencing-statistics-data-tables>
<https://www.gov.uk/government/statistical-data-sets/vehicle-licencing-statistics-data-tables#all-vehicles>;
<https://www.gov.uk/government/statistics/renewable-transport-fuel-obligation-rtfo-statistics-2024-fifth-provisional-release>



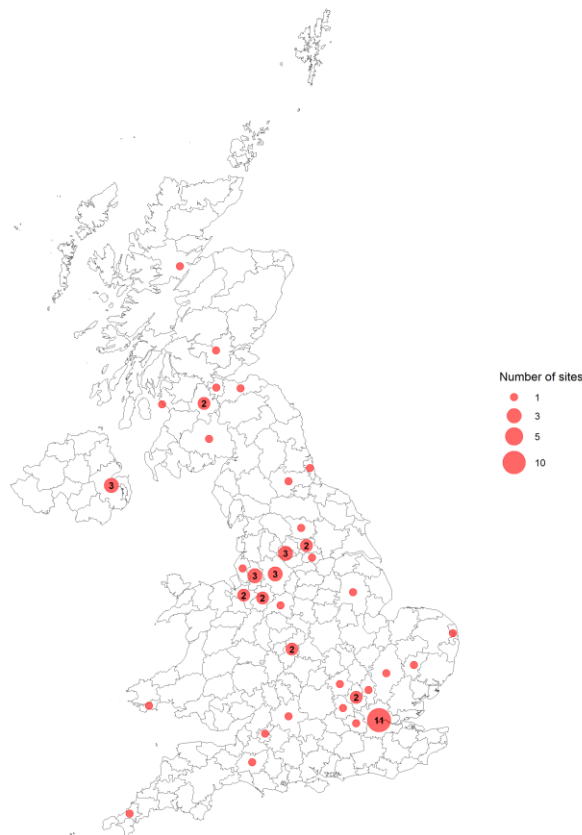
by TTWA, and Census 2021 estimates of working age population by LGD in Northern Ireland.

586. To estimate employment by site, the TRA identified all known immediate subsidiaries of the companies selected in its analysis alongside their registered office address and known employment. Where sites were listed without employment figures, we assumed that unallocated employees were distributed equally between sites. Total employment was used for businesses where site employment was not available

587. Where estimated employment was less than 1% of the working age population within a TTWA / LGD, we considered this to indicate that there is no likelihood of disproportionate geographic impacts.

588. Image 9 shows the geographic distribution of business locations which are part of the biodiesel supply chain in the UK.

Image 9: Locations of selected businesses that are part of UK biodiesel supply chain.





589. Three TTWAs were found where estimated employment in the biodiesel supply chain was above 1%. These were Pembroke Dock, Newport Pagnell and Harrogate. We believe our estimates for Pembroke Dock and Newport Pagnell are likely to be too high as all employment has been allocated to a single site due to a lack of data on other sites. Additionally, this employment comes from businesses within the lower-blend downstream group, for whom biodiesel is less important, so it is unlikely that the proposed measure would have a significant impact on these areas.
590. To consider the potential impact on Harrogate further, we investigated the performance of the affected companies located in this TTWA. We found they had enjoyed stronger profit margins when compared to other businesses within their supply chain group. Additionally, we considered the socioeconomic factors of income, job density, unemployment and education in Harrogate, and found it was above average for all socioeconomic factors considered. Because of this, we concluded that Harrogate is also unlikely to be significantly impacted by the proposed measure.

15.2 Likely impact on particular groups

591. The TRA considered the likely impact on particular groups, including those with protected characteristics as defined by the Equality Act 2010. No evidence was provided or has been identified regarding protected groups.
592. Diesel car users and consumers of goods or services where biodiesel has been used for transportation or as an input energy are likely to be impacted by the measure due to increased prices.
593. IMF research investigating international consumer price index (CPI) responses to fuel shocks indicates that while the purchasing power of all households declines when fuel prices rise, the initial impact can be more acute for low-income households⁹⁷.
594. Consumers who make consumption decisions based upon environmental concerns and may therefore actively seek out higher-blend biodiesel consumption, are likely to face greater impacts. This is due to them experiencing a greater increase in fuel prices due to the greater proportion of biodiesel within higher-blends. Additionally, for some

⁹⁷ <https://www.elibrary.imf.org/view/journals/001/2021/271/article-A001-en.xml?hl=en-GB>



uses higher-blend users may have a strong preference or requirement to choose HVO over FAME. One PSQ highlighted that groups who live 'off-grid' are likely to be acutely impacted by a measure, due to their use of pure HVO, for which they have few biofuel alternatives. We were unable to estimate the size of this group with available data.

16. The likely consequences for the competitive environment and the structure of UK markets

595. The assessment of the likely consequences for the competitive environment and structure of the market considers the impact on the number or range of suppliers; the impact on the ability of suppliers to compete; the impact on the incentives to compete vigorously; and the impact on the choices and information available to consumers.
596. The UK biodiesel market is currently relatively competitive. Domestic production is dominated by three businesses; however, we estimate they cumulatively only represent around 7% of the UK market. The remainder of the market is made up of imports mainly from the US (around 25%), China, the EU, and Malaysia. HVO & FAME make up roughly 46% and 54% of biodiesel market, respectively. The TRA estimated market shares based on questionnaire responses submitted by interested parties, RTFO statistics, and HMRC raw customs declaration data.
597. We believe that around one-third of biodiesel consumption in the UK currently happens in higher-blends, and two-thirds in lower-blends. HVO is likely to be the preferred product at higher- and the highest-blends, given its different properties when compared to FAME. We estimate US suppliers represent about 50% of the UK HVO market during the POI. The US and EU are the largest HVO producers, followed by Brazil, Singapore and China.
598. **Impact on the number or range of suppliers.** Without a measure, we expect all but one UK producer to exit the market. With a measure, we expect US suppliers may exit the market. We believe UK consumers of higher-blend biodiesel could face a limited range of alternative international HVO suppliers should US suppliers exit, resulting in acute impacts as the result of a measure for this market segment.



599. **Impact on the choices and information available to consumers.** Without a measure, we expect limited change, with UK consumers continuing to be able to access FAME and HVO, at a range of blends. With a measure, we expect the costs of higher-blends of biodiesel to increase disproportionately. Given the impact this is likely to have on the higher-blend downstream market in the UK, we expect that this may limit the ability of some customers to purchase higher-blends (directly or indirectly). Impacts will be most significant at the highest-blends where, consumers may not be able to switch to FAME and face supply difficulties in purchasing HVO internationally.

600. We found no evidence that the ability of suppliers to compete or to compete vigorously would be affected by the proposed measure.

17. Other factors the TRA considers relevant

601. Trends in the UK car market show reductions in the overall demand for diesel, as more consumers shift from diesel cars to alternative vehicles. We estimated a 3% year-on-year reduction in road fuel demand⁹⁸. However, this reduction in demand will likely be offset by the increase in RTFO requirements to supply biofuels, which is set to rise from roughly 14% in 2025 to 17.2% in 2032. We are not able to estimate how overall demand for biodiesel will be affected by these competing pressures. The demand for diesel is likely to be less affected than petrol by the switch to electric engines because diesel is used in vehicles which are harder to convert, including HDVs.

602. We received some representations that, should the ability to sell biodiesel at higher-blends reduce, fuel suppliers would struggle to supply this biodiesel in lower-blends. However, by calculating average diesel blend rates using RTFO figures, we believe there is currently spare capacity within standard forecourt 'B7' fuels to allow for additional blending and so have not considered these impacts further.

603. Biodiesel acts as both a final good, in the form of fuel; and as an input good, in the form of an energy or transportation cost. The ONS cites changes to transportation

⁹⁸ <https://www.fitchsolutions.com/bmi/oil-gas/road-net-zero-suggests-bearish-outlook-uk-fuel-consumption-28-10-2024>



costs as a major factor it considers as part of its inflation estimates⁹⁹. Research conducted by National Institute of Economic and Social Research, and cited by HM Treasury¹⁰⁰, suggests that a decrease in the price of fuel of 5% (modelled as three pence cut in fuel duty), can lead to an increase in GDP by +0.11%, one year on. We could expect the opposite impact on GDP where there is an increase in the price of fuel as a result of the measure.

18. Consideration of alternative forms of measure

604. As part of the EIT, the TRA considers the most appropriate form of measure to recommend, in particular, whether any changes to the length, scope or type of measure would minimise the negative impacts of the measure on some parties while retaining the overall benefits to UK.

605. The EIT assessment has highlighted that the measure could lead to substantial acute costs to higher- and the highest-blend users of biodiesel. We have therefore considered whether adjusting the scope of the measure could reduce the negative impacts on these users.

606. We explored two options in respect of the implementation of the proposed measure:

- a) Allowing for exemptions from the measure where HVO is used in higher-blends, this could be as part of HMRC's 'authorised use' mechanism; and
- b) Altering the commodity codes covered by the measure, including excluding non-blended 'pure' HVO, which may have not received the BTC subsidy benefit.

607. Our current understanding is that neither option is workable. In option (a) there are challenges in the complexity of the HVO supply chain in the UK, where end users are often not those who imported the HVO. Providing proof of, and verifying, authorised end use for users and HMRC, respectively, will therefore be difficult. In addition, there is a risk of circumvention as we believe it is very easy to mix HVO with fossil diesel

⁹⁹<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/ukconsumerpriceinflationbasketofgoodsandservices/2025>

¹⁰⁰https://assets.publishing.service.gov.uk/media/5a7ec06de5274a2e8ab47f87/Analysis_of_the_dynamic_effects_of_fuel_duty_reductions.pdf



after importation; and difficult to confirm the blend rate of HVO mixed with fossil diesel once they have been mixed. These two latter issues also apply to option (b).

608. The implication of this is that whilst we believe excluding higher-blend users from the scope of the measure would reduce negative downstream impacts on higher-blend users, without significantly causing additional injury to UK producers, we have not found a practical way to do this.

19. Conclusions

609. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met if the application of the measure is in the economic interests of the UK. This test is presumed to be met unless the TRA is satisfied that the application of the measure is not in the economic interest of the UK.

610. The TRA determines that the UK industry has been suffering injury due to the subsidised HVO from the US. In [Section G](#), the injury assessment, we concluded that there would be further injury were a measure not implemented.

611. Our economic significance assessment found that those groups involved in the domestic production of biodiesel (UK upstream and UK producers) were of lower significance to the UK economy, than the UK importers of HVO. UK downstream groups, on aggregate, including end users of biodiesel, had the highest significance. We estimate there to be at least 10.6 million direct UK biodiesel end consumers, in the form of car users, which we consider to be significant.

612. In the impacts section we found that the measure would have positive impacts on UK producers and UK upstream. However, the measure would negatively impact UK downstream market segments, importers and consumers, some disproportionately. Overall, the measure would result in significant net welfare costs to the UK economy.

613. The measure is not expected to have disproportionate geographical impacts, but consumers of higher blend biodiesel could be substantially impacted by the measure.



614. In the competition assessment, we found a risk of increased concentration in the market for higher blend biodiesel and a risk of a loss of choice for consumers if HVO from the US or imported from third countries was to become prohibitively expensive.
615. As part of our consideration of other factors, we found evidence of the potential for the measure to have wider economic impacts.
616. Overall, we identified the following key positive impacts of the proposed measure:
- We estimate positive annual impacts of approximately £5m for UK producers and their UK upstream businesses. The sampled businesses within these parts of the UK biodiesel supply chain have a higher reliance on biodiesel than most other parts of the UK industry, and a higher vulnerability to economic shocks. These parts of the supply chain employ at least 1,700 people.
617. Overall, we identified the following key negative impacts of the proposed measure:
- We estimate negative annual impacts of approximately £37m for UK importers; downstream businesses, and consumers. Sampled UK importers and UK downstream lower-blend businesses have the highest significance to the UK economy, when compared to other parts of the supply chain, though this market segment is less vulnerable to economic shocks and less reliant on biodiesel. These parts of the supply chain employ at least 399,300 people (excluding supermarkets this is at least 20,960 people). Downstream higher-blend businesses have a higher reliance on biodiesel and a medium vulnerability to economic shocks. They are of medium significance to the UK economy. This part of the supply chain employs at least 7,860 people.
 - We expect acute impacts on higher- and highest-blend users due to their difficulty or inability to substitute current HVO consumption with FAME. Given a lack of domestic production, they need to purchase HVO from overseas. US suppliers provided around 50% of the UK HVO market in volume during the POI, should these suppliers exit as a result of the measure, it may cause short-term supply difficulties. In addition, price increases are likely to be felt more acutely as a result of the higher biodiesel blends consumed. We have explored alternative forms of



measure to mitigate these impacts but have not found an option which would be workable while avoiding the risk of circumvention.

618. Having considered the evidence submitted by the relevant parties and all the factors listed in the legislation, and in light of the presumption that countervailing measures are in the economic interest of the UK, we believe there is insufficient evidence of impacts which are disproportionate to the need to remove injury to the UK producers and that the economic interest test is therefore met for the proposed measure.

619. As indicated in C5, we received submissions from DGD/Valero related to the EIT. We believe those relevant to the test have been covered in our assessment.



Section J: Intended final determination and recommendations

620. The TRA intends to make a final determination on imports of the goods concerned originating from the United States of America as described in the notice of initiation that fall under the commodity codes:

1516209821	1516209829	1516209833	1518009121	1518009129
1518009133	1518009521	1518009921	1518009929	1518009933
2710194221	2710194229	2710194290	2710194421	2710194429
2710194433	2710194621	2710194629	2710194633	2710194721
2710194729	2710194733	2710194810	2710194890	2710201121
2710201129	2710201133	2710201621	2710201629	2710201633
2710201693	2710201910	2710201990	3824999210	3824999214
3824999217	3826009011	3826009019	3826009033	

621. The TRA has determined that the goods concerned that are the subject of the intended final determination, which have been or are being imported into the UK from the US, are subsidised, and the importation of the subsidised goods has caused or is causing injury to a UK industry in those goods. The TRA therefore intends to recommend to the Secretary of State that a countervailing measure is imposed.

622. The TRA intends to recommend that the Secretary of State impose a fixed duty measure for a period of five years on the goods concerned subject to the final affirmative determination.

623. In accordance with paragraph 18(6) of Schedule 4 to the Act, the TRA intends to recommend that the Secretary of State impose the lower of the two margins (the subsidy amount) as the countervailing amount. Individual margins as well as the residual amount are shown below in table 34.

Table 34: Recommended fixed duty rates

US producer	Subsidy Amount	Injury Amount	Duty Amount in £ per 1000kg
DGD	23.80%	51.07%	£265.82
P66	24.41%	60.44%	£257.80
SBR	24.87%	70.45%	£258.10
All other US exporters (residual amount)	25.97%	70.45%	£303.56



Annex A: Interested parties and contributors

Summary of information received from interested parties and contributors

	Interested party/Contributor	Information received	Status
1	The Road Transport Fuels Association	Application , Pre-sampling questionnaire (PSQ) , Updated Application Submission Submission	Applicant
2	Greenery Fuels Limited	Pre-sampling questionnaire (PSQ) Questionnaire	Sampled UK producer
3	Argeny Energy (UK) Limited	Pre-sampling questionnaire (PSQ) Questionnaire	Sampled UK producer
4	Olleco	Pre-sampling questionnaire (PSQ) Questionnaire	Non sampled UK producer
5	Crown Oils	Pre-sampling questionnaire (PSQ) Questionnaire	Sampled UK importer
6	Phillips 66 Limited	Pre-sampling questionnaire (PSQ)	Non-sampled UK importer
7	Valero	Pre-sampling questionnaire (PSQ) Questionnaire	Sampled UK importer
8	Diamond Green Diesel	Pre-sampling questionnaire (PSQ) Questionnaire	US Exporter



		Submission	
9	St Bernard Renewables LLC	Pre-sampling questionnaire (PSQ) Questionnaire Submission in regard to the application Submission on Sample	US Exporter
10	Phillips 66 Company	Pre-sampling questionnaire (PSQ) Questionnaire	US Exporter
11	Certas Energy Uk Limited	Pre-sampling questionnaire (PSQ) Questionnaire	Non-sampled UK importer
12	Office of the US Trade Representative	Pre-sampling questionnaire (PSQ) Submission comments on the investigation Additional Submission Questionnaire	US Government
13	US Embassy London	Pre-sampling questionnaire (PSQ) Questionnaire	US Government
14	UK & Ireland Fuel Distributors Association Limited	Pre-sampling questionnaire (PSQ)	Contributor
15	UK Oil Industry Tax Committee	Pre-sampling questionnaire (PSQ)	Contributor
16	Kolmar Group AG	Pre-sampling questionnaire (PSQ) Questionnaire	Contributor
17	Mitchell & Webber Limited	Pre-sampling questionnaire (PSQ)	Contributor



18	Neste	Pre-sampling questionnaire (PSQ) Questionnaire	Contributor
19	Shell Trading Rotterdam B.V.	Pre-sampling questionnaire (PSQ)	Contributor
20	ESL Fuels Limited	Registration of Interest Questionnaire	Non sampled importer
21	Construction Plant Skills Limited t/a the Construction Plant Hire Association	Registration of interest and Submission	Contributor
22	Business Survey from anonymous downstream users	Overview of survey results	Contributor