WHITE PAPER

ResourceWise®
Prima CarbonZero™

From Fragmentation to Clarity: Navigating the New Complexity of Biofuels Markets

EXECUTIVE SUMMARY

Biofuels markets are undergoing a fundamental transformation. What was once a relatively transparent and interpretable system driven by a limited set of variables has evolved into a highly interconnected, rapidly shifting landscape.

Today, market participants face a paradox: more data than ever before, yet less clarity.

This shift is not simply a function of increased volatility. It reflects a deeper structural change in how biofuels markets operate. Policy, feedstocks, fuels, credits, and global trade flows are no longer independent drivers. They are interdependent forces that move together, often in unpredictable ways.

As a result, traditional approaches to market analysis and decision-making are becoming less effective. Organizations that continue to rely on fragmented data and siloed perspectives risk misinterpreting signals, missing opportunities, and reacting too slowly to change.

This white paper explores:

- What has changed in biofuels markets
- Why traditional models are breaking down
- How fragmentation is creating a growing decision gap
- What it takes to move from data overload to true market clarity

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A MARKET THAT HAS FUNDAMENTALLY CHANGED

Not long ago, biofuels markets were relatively straightforward to interpret.

Participants could assess margins using a handful of core inputs: feedstock costs, fuel prices, and key policy signals. While market fluctuations existed, the underlying drivers were visible and, to some extent, predictable. That environment no longer exists.

The market has shifted from a linear structure to a dynamic, interconnected system. Multiple forces now act simultaneously, often in conflicting directions.

- Feedstock prices may rise while credit values decline

- Policy signals may indicate stronger demand even as regional prices soften
- Trade flows can shift supply balances almost overnight
- Geopolitical events can introduce sudden, system-wide disruption

Individually, these factors are not new. What is new is the degree to which they interact and the speed at which those interactions play out.

The result is a market that no longer moves in clear, predictable patterns.

THE RISE OF INTERCONNECTED MARKET DRIVERS

The defining characteristic of today's biofuels market is interdependence.

Margins are no longer determined by a single variable or even a small group of variables. Instead, they are shaped by a network of interconnected forces spanning the entire value chain.

Five core drivers now operate in tandem:

1. Feedstock Markets

Global competition for feedstocks, such as used cooking oil, tallow, and vegetable oils, has intensified. The change has linked regional markets more closely than ever before.

2. Policy and Regulation

Programs such as the Renewable Fuel Standard (RFS), RED III, and emerging global mandates are increasingly shaping demand, pricing, and long-term investment decisions.

3. Credit Markets

RINs, LCFS credits, and other compliance mechanisms introduce additional layers of complexity, often amplifying or offsetting underlying market signals.

4. Global Trade Flows

International trade dynamics now play a critical role in balancing supply and demand, with shifts in one region quickly impacting others.

5. Geopolitical and Macroeconomic Forces

Events such as conflicts, sanctions, and broader energy market disruptions can rapidly alter market conditions across the entire system.

These drivers do not operate independently. They interact continuously, sometimes reinforcing each other, sometimes working in opposition.

Understanding any one of them in isolation is no longer sufficient.

WHEN MORE DATA CREATES LESS CLARITY

In response to this growing complexity, organizations have done what they have always done: they have gathered more data. This includes more price points, benchmarks, reports, and systems.

Yet, for many teams, clarity has not improved. In some cases, it has deteriorated. The challenge is no longer access to information; it is interpretation.

A change in one part of the market does not occur in isolation. It influences and is influenced by multiple other factors simultaneously. Without a way to connect these signals, individual data points can become misleading.

- A pricing opportunity may be offset by shifts in credit markets
- A favorable policy signal may not translate into real demand

- A margin improvement may disappear under different feedstock assumptions

In this environment, fragmented data creates a false sense of understanding.

THE GROWING DECISION GAP

This fragmentation is not just a data problem but instead an operational challenge.

Across organizations, different teams are interpreting different signals through different systems:

- **Trading Teams** are identifying opportunities that are difficult to validate across regions
- **Procurement Teams** are navigating increasingly global and competitive feedstock markets
- **Compliance Teams** are interpreting policy signals that do not always align with market outcomes

At the same time, these decisions are often made using disconnected datasets and tools. This has created a growing gap between the signals the market is sending and the decisions organizations can make with confidence.

The consequence is slower reaction times, increased risk, and missed opportunities.

FROM FRAGMENTATION TO CLARITY

The takeaway is not that biofuels markets have become unknowable. It is that they now require a different way of understanding.

Seeing individual data points is no longer enough. The real challenge and opportunity lies in understanding how those data points connect.

Organizations that succeed in this environment are those that move beyond fragmented analysis toward integrated intelligence. They focus not just on what is happening, but also on how different drivers interact to shape outcomes.

ENABLING A CONNECTED VIEW OF THE MARKET

This shift toward connected intelligence requires a new approach to market insight. Prima CarbonZero is designed to address this exact challenge.

The platform brings together daily market signals, weekly fundamentals, global trade data, policy developments, and forward-looking analytics into a single, unified view of the low-carbon fuels ecosystem.

By connecting feedstocks, fuels, credits, mandates, and production capacity across regions, it enables market participants to:

- Understand how changes in one area impact the broader system
- Identify risks and opportunities with greater confidence
- Align decisions across trading, procurement, and compliance functions
- Move from reactive to proactive decision-making

The platform provides a single source of truth for pricing, regulatory developments, supply/demand fundamentals, and global capacity,

delivering clarity in an increasingly complex market environment.

LOOKING AHEAD: COMPETING IN A MORE COMPLEX MARKET

The Biofuels market will continue to evolve, sometimes at a highly rapid rate. Policy frameworks will expand. Feedstock competition will intensify. Trade flows will shift. New technologies and fuels will emerge.

In the end, market complexity is not simply a temporary state. It is a structural system of interconnected complexity. The organizations that thrive in this environment will be those that can:

- Interpret signals in context, not isolation
- Connect insights across the value chain
- Anticipate market shifts rather than react to them

In a market defined by interconnected forces, clarity becomes a competitive advantage. Achieving that clarity is no longer about having more data. It is about understanding the bigger picture.

PRIMA CARBONZERO: PRECISION MARKET INTELLIGENCE, SIMPLIFIED

Prima CarbonZero brings together daily market signals, weekly fundamentals, and global structural analytics into one seamless, end-to-end view of the low-carbon fuels ecosystem.

From upstream feedstocks to finished fuels, compliance credits, mandates, and global trade flows, the platform connects every link in the value chain so market participants can make faster, better-informed decisions in a highly complex environment.

With Prima CarbonZero, you get:

- **Unmatched feedstock coverage** and upstream insight across waste, residues, oils, crops, and emerging pathways.
- **A single source of truth** for pricing, regulatory developments, supply/demand fundamentals, and global capacity.
- **Future-focused analytics** to evaluate investments, compliance obligations, and long-term market strategy.

One platform. Every driver. Complete clarity.

Learn more about how Prima CarbonZero can inform your strategy and empower your decisionmaking.

LEARN MORE

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ResourceWise was founded in 2021 to empower companies to make wise decisions by providing high-quality data, business intelligence, and insights that resolve value chain issues while promoting a low-carbon economy and profitable growth. We deliver price reporting and benchmarking, market analytics, and strategic consulting for commodity markets focused on forest products, chemicals, and renewable fuels.