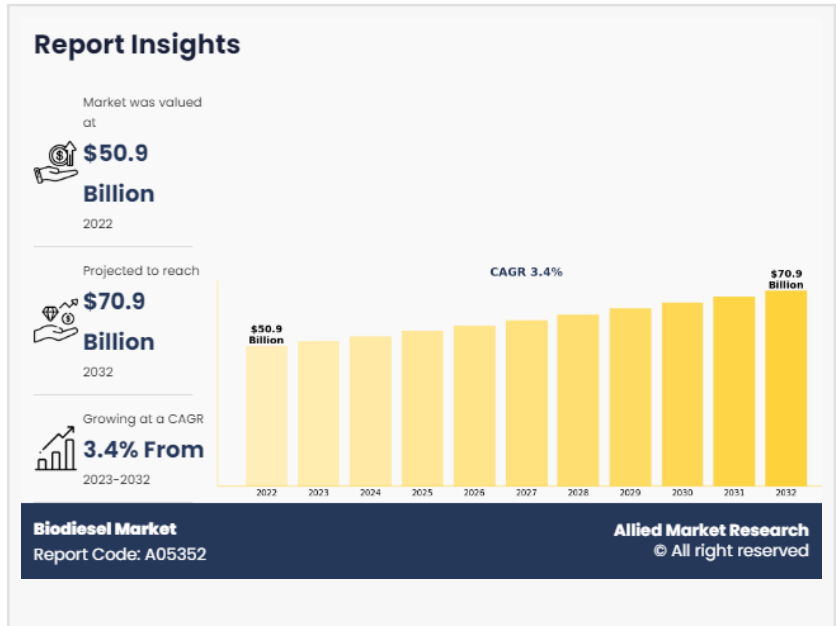


Biodiesel Market Forecasts \$70.9 Billion Valuation by 2032 Driven by Automotive & Recycled Cooking Oil Demand

□ *Biodiesel Market to Reach \$70.9 Billion by 2032 as Renewable Fuel Demand Surges Worldwide*

WILMINGTON, DE, UNITED STATES, July 14, 2025 /EINPresswire.com/ --

According to a new report by Allied Market Research, the global [biodiesel market](#) was valued at \$50.9 billion in 2022 and is expected to reach \$70.9 billion by 2032, growing at a CAGR of 3.4% between 2023 and 2032. This growth is driven by increasing environmental concerns, government biofuel mandates, and rising demand from the automotive sector for renewable diesel alternatives.



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Global biodiesel market projected to reach \$70.9B by 2032 □ as recycled cooking oil & eco-friendly fuels boost growth □”

Allied Market Research

□ What is Biodiesel?

Biodiesel is a clean-burning, biodegradable, and [renewable fuel](#) produced from natural sources such as vegetable oils and animal fats. Through a process called transesterification, these natural fats are converted into Fatty Acid Methyl Esters (FAME), which serve as biodiesel. Unlike conventional diesel, biodiesel can be blended in any proportion, from pure B100 to lower blends like B5 or B20,

enhancing its versatility across industrial, automotive, and commercial applications.

Major biodiesel feedstocks include:

- Palm oil

- Soybean oil

- Rapeseed oil

- Waste vegetable oils from restaurants and food industries

Biodiesel is recognized as a carbon-neutral fuel, since the plants used in its production absorb CO₂ during their growth, balancing emissions when burned.

- Key Benefits Fueling Biodiesel Market Growth

Biodiesel offers several advantages over traditional fossil fuels:

- Reduces greenhouse gas emissions

- Compatible with existing diesel engines without modifications

- Derived from renewable resources

- Higher flash point, improving handling safety

- Enhances engine performance through improved lubricity and higher cetane ratings

Biodiesel also plays a critical role in reducing dependency on imported petroleum products, enhancing national energy security, and supporting rural economies by utilizing agricultural by-products.

- Challenges Limiting Market Expansion

Despite its benefits, the biodiesel industry faces certain challenges:

- Cold weather performance issues, as biodiesel can gel in low temperatures

- Potential engine efficiency concerns with high biodiesel blends

- Food vs. fuel debate, raising concerns over land use and resource competition

- Higher production costs compared to petroleum diesel

- Increased infrastructure and maintenance requirements due to potential clogging in fuel filters and injectors

These limitations vary based on the type of biodiesel blend, feedstock source, and regional infrastructure.

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▣ Market Segmentation Overview

By Feedstock: Recycled Cooking Oil Dominates

In 2022, the recycled cooking oil segment accounted for more than two-fifths of the global market share. The use of waste vegetable oils not only reduces raw material costs but also promotes sustainability by diverting waste from landfills.

Other biodiesel feedstock sources include:

Animal fats

Cashew nutshell liquid (CNSL)

Palm oil mill effluent (POME)

Spent bleaching earth oil (SBEO)

By Application: Automotive Sector Leads

The automotive industry remains the primary consumer of biodiesel, holding over 40% of the total market share in 2022. Biodiesel blends improve ignition quality and combustion efficiency, especially in heavy-duty transport and commercial vehicles.

Other growing applications include:

▣▣ Aviation

▣ Marine

▣ Power generation

▣ Regional Insights: Europe Leads Global Biodiesel Demand

Europe emerged as the largest regional market in 2022, accounting for nearly half of the global biodiesel consumption. Germany, in particular, plays a central role, with its [biofuel production](#)

increasing by 1.3% between 2012 and 2022.

Globally, key biodiesel-producing regions include:

- ▯▯ United States (8.3% share)

- ▯▯ Brazil (6.1% share)

- ▯▯ European Union (13.1% share)

- ▯▯ Malaysia & ▯▯ Indonesia (6.9% combined share)

- ▯▯ Argentina (2.0% share)

Regional biodiesel output is heavily influenced by government policies, feedstock availability, and environmental regulations.

- ▯ Market Drivers: Government Initiatives & Technological Innovations

Several factors are propelling biodiesel market growth:

- ▯▯ Government mandates, such as India's National Bioenergy Programme

- ▯▯ Advances in production technology, reducing costs via efficient catalysts

- ▯ Rising environmental awareness and the push for cleaner energy solutions

- ▯ Fossil fuel price volatility, encouraging diversification toward biofuels

- ▯ Adoption of biodiesel in sectors like construction, mining, and power generation

Biodiesel's role in enhancing energy security by using domestic feedstock crops further amplifies its strategic importance.

- ▯ Key Industry Players

Leading biodiesel manufacturers include:

Cargill Incorporated

Eni S.p.A.

Bunge

Kolmar

Ital Bi Oil S.R.L.

BP Oil International Ltd.

Tamoil Italia S.P.A.

Esso Italiana S.R.L.

Saras S.P.A.

Masol Continental Biofuel Srl

These companies are focusing on technological advancements, cost reduction, and expanding production capacities to cater to rising global demand.

□ Future Outlook

□ Recycled cooking oil will remain the dominant feedstock, driven by waste management initiatives and low raw material costs.

□ Automotive applications will continue to lead, as commercial vehicles increasingly adopt biodiesel blends for sustainable transport.

□ Europe will sustain its market dominance, though emerging markets in Asia-Pacific and South America are poised for rapid growth.

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□ Conclusion

With increasing environmental regulations, volatile fossil fuel markets, and the global push for sustainable energy, the biodiesel market is set for steady expansion. As recycled feedstocks, automotive demand, and government biofuel policies gain momentum, biodiesel will play a critical role in shaping the future of the renewable fuels industry.

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