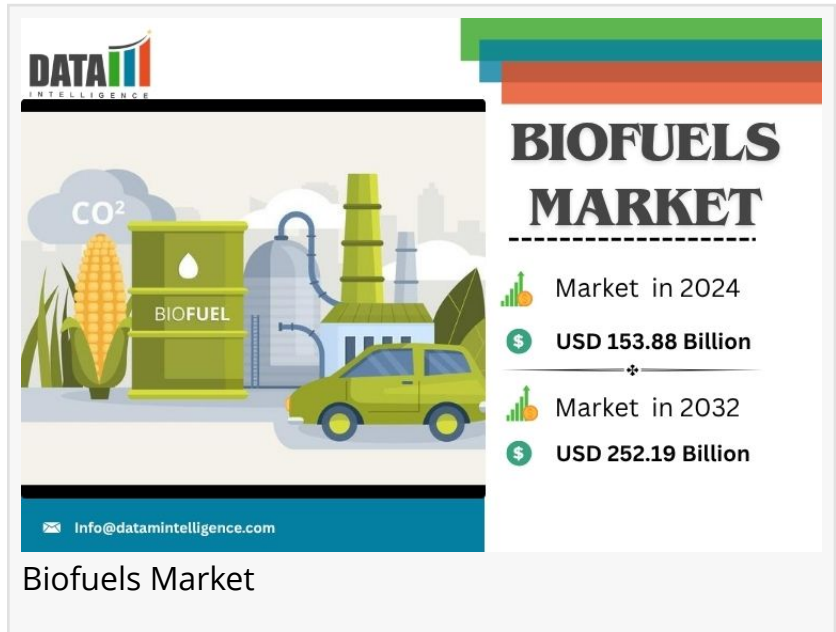


Biofuels Market Lead the Renewable Energy Transition as Global Market Set to Surpass US\$252.19 Billion by 2032

Biofuels Market Forecast 2025–2032: USD 252.19 Billion Valuation Driven by Clean Energy Demand

AUSTIN, TX, UNITED STATES, July 17, 2025 /EINPresswire.com/ -- The Global [Biofuels Market Size](#) was US\$ 153.88 Billion in 2024 and is expected to reach US\$ 252.19 Billion in 2032, growing at a CAGR of 6.4% during the forecast period (2025-2032). Increasing environmental concerns and the urgent need to reduce greenhouse gas emissions have accelerated the demand for cleaner, renewable energy sources like biofuels. For instance, according World Bioenergy Association, biofuels emerged as the largest renewable energy source, supplying 3.94 exajoules (EJ). By 2025, more than 60 countries had implemented mandates to promote biofuel use. This highlights biofuels' growing role in global renewable energy strategies.



The U.S. Biofuels Market is expanding rapidly, driven by rising demand for renewable energy part of a global market poised to Hit \$252.19 Billion by 2032 at a CAGR of 6.4%”

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Government policies and regulatory frameworks, including subsidies, mandates, and blending targets, are further fueling the market expansion. For instance, Indonesia is set to implement its B40 biodiesel program in 2025, aiming to blend 40% palm oil with 60% diesel fuel. The government has allocated 15.62 million kiloliters of biodiesel for this initiative, with distribution to consumers

expected to commence on January 1, 2025. This move is part of Indonesia's broader strategy to

enhance energy security and reduce reliance on imported fossil fuels. Similarly, in April 2025, the Indian state of Madhya Pradesh launched the 'Scheme for Implementation of Biofuel Projects in Madhya Pradesh' under its 2025 Renewable Energy Policy, aiming to position the state as a national leader in advanced biofuel production.

Impact of Government Incentives and Policy Mandates on Biofuels Market Growth

Government incentives and policies play a crucial role as a growth opportunity for the global biofuels market by creating a favourable environment for production, adoption, and investment. Many countries have introduced mandates requiring a minimum percentage of biofuels to be blended with traditional fossil fuels, which guarantees steady demand for biofuels.

For instance, in April 2025, the US Environmental Protection Agency (EPA) set biomass-based diesel mandates for 2025 at 3.35 billion gallons. A coalition of oil and biofuel groups has recommended increasing the 2026 mandate to 25 billion gallons, signalling a push for higher blending targets.

In March 2025, in India, Karnataka's State Bio-Energy Development Board implemented its 2025-26 biofuel policy, which includes international collaborations, fiscal incentives, and infrastructure development to promote biofuel production and consumption.

Supportive regulations help overcome initial market barriers by lowering production costs and incentivizing infrastructure development, such as blending facilities and distribution networks.

Impact of Biofuel Production on Global Food Security and Price Volatility

The large-scale use of food crops for biofuel production raises serious concerns over food security and price volatility, becoming a significant restraint on the growth of the global biofuels market. According to the 11th Edition of the Global Bioenergy Statistics Report 2024 by the World Bioenergy Association, in 2023, approximately 660 million tons of primary crops such as wheat, corn, sugarcane, and vegetable oils, accounting for nearly 7% of global agricultural production, were diverted for biofuel production.

As biofuel demand grows, the pressure on agricultural land, water resources, and fertilizer use also increases, leading to environmental stress and reduced land availability for food production. In times of poor harvests or supply shocks, this heightened competition further exacerbates price spikes in both food and fuel markets, contributing to global inflation and potential political unrest. As a result, policymakers face mounting ethical and practical challenges in balancing energy needs with food access.

For instance, in 2024, Ireland's Transport Minister Eamon Ryan called on the European Commission to scrutinize imported biofuels, citing alarming concerns over fraudulent and unsustainable practices, particularly involving virgin palm oil. During an EU Energy Council

meeting, Ryan highlighted accusations that some biofuel suppliers, notably from China, are falsely labeling shipments of virgin palm oil as sustainable biofuels. This situation intensifies the Food vs. Fuel debate, as palm oil widely used in food and household goods faces growing global demand from both energy and food sectors.

Regional Dynamics: Asia-Pacific Biofuels Market Accelerates with Ethanol Blending and UCO Trade Surge

The Asia-Pacific biofuels market is undergoing a significant transformation, driven by a combination of environmental policies, technological advancements, and increasing demand for sustainable energy sources. Countries across the region are implementing initiatives to promote the production and use of biofuels, aiming to reduce greenhouse gas emissions and enhance energy security.

In India, the government has made substantial progress in ethanol blending. As of March 2025, the Ethanol Blending Percentage (EBP) achieved by Oil Marketing Companies (OMCs) rose to 18.4%, up from 14.6% the previous year. This increase highlights India's rapid progress toward its national target of 20% ethanol blending, marking a significant step in its push for renewable energy sources and sustainability.

China, as the world's largest producer of Used Cooking Oil (UCO), plays a pivotal role in the global biofuel supply chain. UCO is a sought-after feedstock for the production of biodiesel and other renewable fuels. The Asia-Pacific region, with China at the forefront, is a major supplier of UCO, which is critical for markets like the European Union to meet their Renewable Energy Directive (RED) targets.

Malaysia has also emerged as a significant player in the UCO market. In November 2023, Malaysia's UCO shipments to the EU jumped 43% on the month to 58,465 metric tons, underscoring the growing demand for sustainable feedstocks from steady sources in the region.

The establishment of trading platforms like the Asia Oil Market (AOM) has further facilitated the growth of the UCO and Used Cooking Oil Methyl Ester (UCOME) markets by providing real-time price transparency and enabling efficient transactions among market participants. The launch of Asia biofuels on AOM in March 2023 marked a significant milestone, with active participation from major players such as Petro China International and Guangzhou Leo-King Environmental Tech.

In the maritime sector, companies are taking proactive steps to reduce their carbon footprint by adopting biofuels. For instance, Swire Shipping announced in April 2025 that three of its vessels operating in the South Pacific have transitioned to using B24 and B30 second-generation biofuel blends. This initiative not only supports the company's sustainability goals but also offers customers more environmentally friendly shipping options.

The aviation industry in the Asia-Pacific region is also embracing sustainable aviation fuel (SAF) to meet emissions reduction targets. In May 2025, the World Economic Forum and GenZero launched the "Green Fuel Forward" initiative to boost SAF demand. Countries like Japan have set ambitious goals, aiming for a 10% SAF blend in aviation fuel by 2030. Similarly, India targets incorporating 1% SAF by 2027, rising to 2% by 2028.

Singapore has proposed a national SAF target of 1% by 2026, potentially increasing to 3–5% by 2030 depending on global developments and the wider availability and adoption of SAF. The Civil Aviation Authority of Singapore plans to introduce a SAF levy at a level sufficient to fund SAF adoption. Despite these advancements, challenges remain. The high cost of SAF compared to conventional jet fuel poses a barrier to widespread adoption. Additionally, the lack of uniform mandates across the region leads to disparities in implementation and progress. However, with continued investment, policy support, and technological innovation, the Asia-Pacific biofuels market is poised for sustained growth, playing a pivotal role in the global transition.

Key Player Analysis:

The global biofuels market is characterized by a diverse competitive landscape, with a few key players holding notable market shares. POET, LLC leads the market, followed closely by Valero Energy Corporation. Chevron is also a key player in the market, while Neste is widely recognized for its innovations in renewable diesel. ADM continues to hold a strong position, supported by its integrated agribusiness operations.

ADM

Cargill, Incorporated

Chevron Corporation

Valero Energy Corporation

Neste

Wilmar International Ltd

VERBIO SE

POET, LLC

The Andersons, Inc.

Green Plains Inc.

Despite the presence of these major companies, the global biofuels market remains highly fragmented. A significant portion of the market estimated to be around 80% is held by players outside the top five, including a wide range of regional and emerging producers contributing to the overall supply.

This fragmentation underscores the strong growth potential and provides ample opportunities for both established and emerging companies to expand their presence in the global biofuels industry.

Segmentation Analysis:

By Form: Solid Biofuel, Liquid Biofuel, Gaseous Biofuel

By Generation: First Generation, Second Generation, Third Generation

By Product: Biodiesel, Ethanol, HVO, Others

By Feedstock: Corn, Sugarcane, Vegetables Oils, Other

By Application: Transportation, Aviation, Energy Generation, Heating, Others

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Key Market Developments:

In February 2025, Cargill Inc., the world's leading agricultural commodities trader, is strengthening its renewable fuels and sugar operations in Brazil after a downturn in earnings driven by declining corn and soybean prices. The company has announced the acquisition of the remaining 50% stake in SJC Bioenergia, gaining full ownership of the venture.

In January 2025, Neste is partnered with the Italian fuel distributor Firmin to make Neste MY Renewable Diesel available for the first time in Italy to contribute to the reduction of greenhouse gas emission in the transport sector. Neste MY Renewable Diesel (also known as HVO100) is available in Italy from the beginning of January, 2025.

What are the Global Biofuels Market Report deliverables?

Comprehensive Market Sizing & Forecasts:

Historic data (2020–2024), current base year, and forecast (2025–2032) with detailed CAGR analysis

Policy & Regulatory Impact Analysis:

In-depth coverage of government mandates, incentives, and their influence on market growth

Food vs. Fuel Debate & Price Volatility:

Critical assessment of biofuel production impacts on food security and market prices

Regional & Country-Level Trends:

Market size and growth dynamics by region and key countries (Asia-Pacific, Europe, Americas, etc.)

Competitive Landscape & Key Player Profiles:

Detailed insights into major players, market share, strategies, and recent developments

Technology & Feedstock Analysis:

Evaluation of advanced biofuel technologies, sustainable feedstocks, and supply chain innovation

Strategic Industry Initiatives & Case Studies:

Case studies of successful projects, policy rollouts, and partnerships worldwide

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KOL / Stakeholder Insights

Unmet Needs & Positioning, Pricing & Market Access Snapshots

Market Volatility & Emerging Risks Analysis

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Sai Kiran

DataM Intelligence 4market Research LLP

+1 877-441-4866

sai.k@datamintelligence.com

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