



News Release

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NEW STUDY SHOWS HIGHER FUTURE DEMAND FOR CRUDE TALL OIL

WASHINGTON (December 8, 2020) – A new [study](#), “The Crude Tall Oil Value Chain: Global Availability and the Influence of Regional Energy Policies,” published recently in *The Journal of Cleaner Production*, forecasts an 8% deficit of crude tall oil (CTO) global availability for all applications by 2030. According to the study, this deficit is due to the high demand of CTO for transportation-related biofuels.

CTO, a side stream of the pulp and paper industry, is a scarce resource. It is an essential raw material used to make pine chemicals. For almost 100 years, the pine chemistry industry has upgraded CTO by separating it into higher use derivatives that can be used to create high value-added bio-based products such as paints, pharmaceuticals substances, lubricants, soaps, detergents and additives. Pine chemicals can improve product performance, reduce greenhouse gas emissions, and increase reuse of materials.

“The pine chemistry industry is one of the few industries that uses CTO as an important resource to produce a wide array of bio-based chemicals and end-use consumer products,” said Jon Busch, director in the American Chemistry Council’s (ACC) Chemical Products and Technology Division.

The authors of the study make the case that although CTO can be used to address short-term carbon emissions mandates globally, regulators incentivizing the use of CTO for biofuels over the long run does not present a level playing field for all uses of CTO.

“ACC’s Pine Chemistry Panel believes that in terms of U.S. and global availability, the supply and demand for CTO for its use in bio-chemicals, bioenergy, and biofuels (for transportation) should be left to free market forces,” said Busch.

The analysis and results presented in *The Journal of Cleaner Production* stem from the independent research study conducted in part by the Fraunhofer Institute for Environmental, Safety, and Energy Technology UMSICHT, which was commissioned by ACC. A significant portion of the data used in the analysis by the Fraunhofer Institute was drawn from the global database of Fastmarkets RISI.

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Key Findings From the Study:

- Global CTO supply and demand summary:
 - Found that the global availability of CTO will increase from 1.85 million tonnes per year in the year 2019 to 2.26 million tonnes per year in 2030. This increase is due to current and future softwood kraft pulp capacity expansions.
 - Demand for CTO in bio-chemicals will grow from 1.48 million tonnes per year in 2019 to 1.56 million tonnes per year in 2030.
 - Demand for CTO based biofuels for transportation will increase from 0.32 million tonnes per year in 2019 to 0.88 million tonnes per year in 2030.
 - Project a growing deficit in the global CTO availability of 0.6 % in 2020 to 8% in 2030, due to increased biofuels demand.

To read the study, [click here](#).

A companion study published in 2019 by the same authors examined the environmental, social and economic impacts of EU Policies on CTO as a feedstock. Click here:
<https://doi.org/10.1016/j.jclepro.2019.03.240>

To learn more about the Pine Chemistry Panel of ACC and its goal to educate the public and policymakers about the many benefits of pine chemistry, [click here](#).

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®; common sense advocacy designed to address major public policy issues; and health and environmental research and product testing. The business of chemistry is a \$565 billion enterprise and a key element of the nation's economy. It is among the largest exporters in the nation, accounting for ten percent of all U.S. goods exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.

