

BiofuelCircle Market Insights

July 2025

From the Editor's Desk: June turnaround

June heralded a good start to the monsoon season in India. And the rain brought relief to briquette manufacturers, with an improved GCM that inched closer to the benchmark ₹1,200 per MT. The weighted average price of briquettes in June 2025 rose 2.5% to ₹1.77 per kCal-kg. But more importantly, deals closed further away from the Buyer's bid prices than in the eight months before. If one was looking for signs of reversal, it would be very hard to miss them!

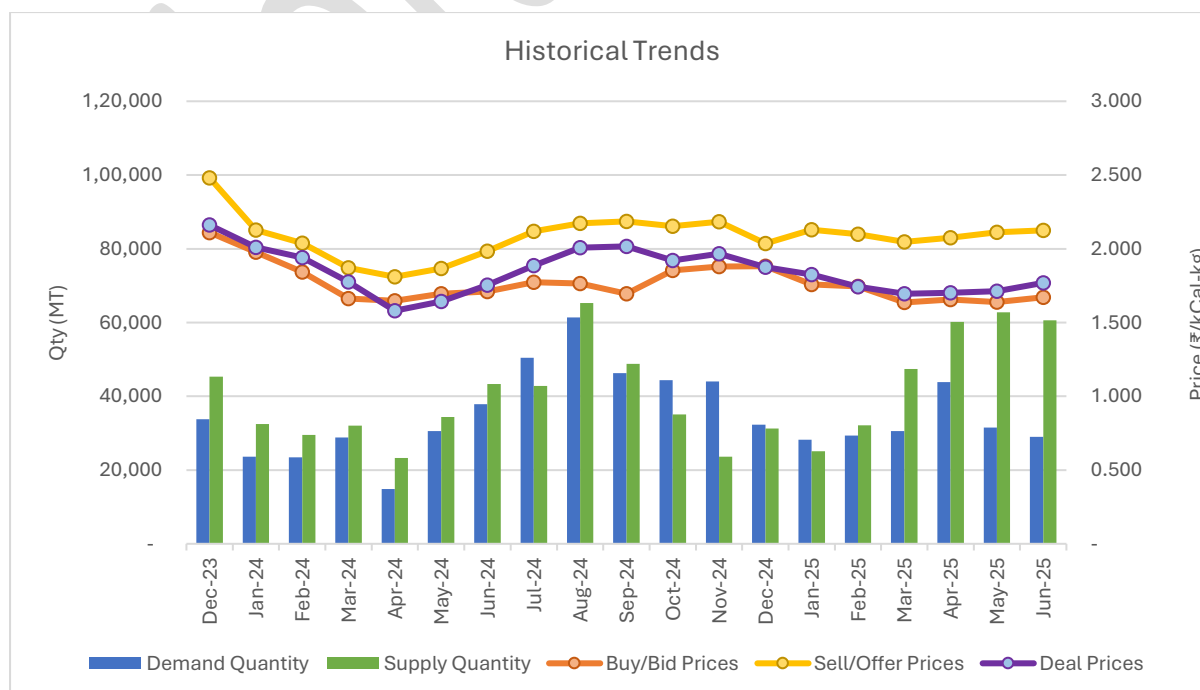
Standard briquettes which lost market share early in May, made a surprising comeback, taking half the market in Jun 2025. A possible correction, but the season for Standard briquettes is passing. Superior and Premium briquettes typically rule the monsoon months.

Coal prices continued their downward slide, leading to Coal vs Briquette spread collapse to near zero. Expect briquettes to be more expensive than coal from July.

July doesn't seem to be bringing any surprises. But a look at the forward prices says there is something brewing in August.

Read on to know more.

Past Trends: Briquette Prices



This chart shows the pan-India trend on the BiofuelCircle platform, for weighted average delivered prices of Biomass Briquettes, converted to Rs per kCal-kg over the past months, along with the availability & demand from our subscribers. Weighted average is calculated using quantity sought/ offered/ deals done, averaged over a month.

Buy/Bid prices (orange line) are expectations of Buyers (delivered basis). Sell/ Offer prices (yellow line) are based on responses and sells published by Sellers (again delivered basis). And finally, the Deal prices (purple line) are for deals concluded after platform-based negotiations between Buyers & Sellers. Demand (blue bars) is the total Buy quantity the month, and Supply (green bars) is the total quantity Offered by Sellers for that month.

June 2025 saw the weighted average prices of Briquettes rise to ₹1.77 per kCal-kg, up 6 paise from ₹1.71 in the May. This is in some sense a small break out, since for the past few months, the increase over the previous month has hardly been 1 paise or so. And what is even more noteworthy for June: Standard Briquettes led the increase.

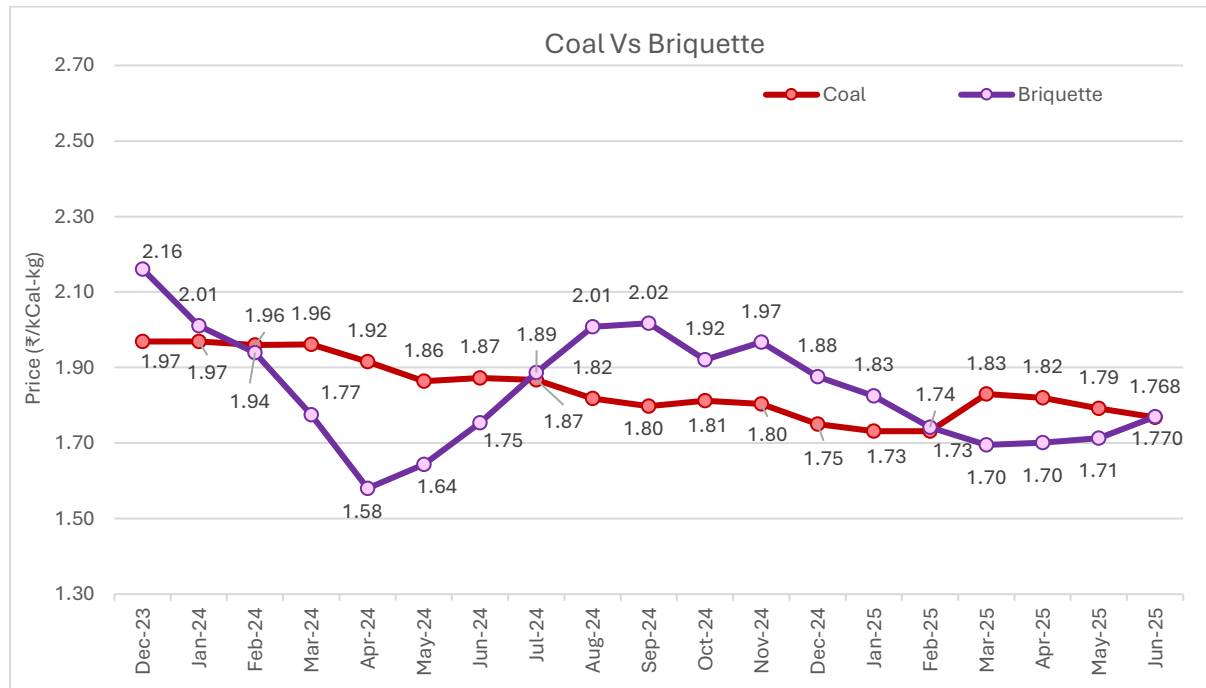
May 2025 saw an earlier than usual shift in the market mix, away from Standard to Superior and Premium grades. But June saw a double reversal. The prices of Standard briquettes (GCV < 3400, Ash > 12%) rose to ₹1.68 per kCal-kg (up from ₹1.55 in May 2025). And their market share also clawed back from 41% in May to 52% of all deals done in Jun 2025. The price of Superior briquettes (GCV ~ 3400 to 3800, Ash ~ 8 to 12%) also went up from ₹1.62 in the month before to ₹1.69 per kCal-kg in Jun 2025. And Premium briquettes (GCV > 3800, Ash < 8%) continued their steady march from ₹1.94 in May to ₹1.96 per kCal-kg in Jun 2025.

The increased market share of Standard briquettes (GCV < 3400, Ash > 12%) came at the cost of both the other grades: Premium briquettes slipped from 38% in May to 32% of all deals done in Jun 2025. And Superior briquettes (GCV ~ 3400 to 3800, Ash ~ 8 to 12%) came down to 16% in June from 21% in May. While all grades turned expensive in Jun 2025, the largest jump in price (by 8%) happened for Standard briquettes. The net effect led to the overall weighted average price of all briquettes rising by 2.5% to ₹ 1.77 per kCal-kg. This is the price break-out that the market was signaling for the last two months.

The return to favour of Standard briquettes is a reaction to the over-correction that happened in May. There was more than adequate Supply available on the platform in June, almost at par with quantities put up for sale in April and May. Demand in June was marginally lower than May, once again leading to a wider over-supply than usual. On average, Sellers sought a price of ₹2.12 per kCal-kg in June (just 1 paise over May). Premium and Standard briquettes led the demand. Buyers were also willing to pay slightly higher prices at ₹1.67 per kCal-kg in the month that went by. This kept the Bid-Ask spread at a higher than usual 45 paise. Consequently, the average Deal Price has broken away from the Buyer's expectations. From Oct 2024 to May 2025, the average Deal Price was between 3 to 4% away from the Buyers' initial position. In June, the Deal Price was 6% higher than Bid Price, signs that Buyers are loosening their grip on the price negotiation ever so slightly.

Price Comparison: Coal vs Briquettes

The chart below compares the weighted average delivered prices of Biomass Briquettes to those of imported coal (GCV 3400 GAR, Gross as Received). We call the difference between these prices as the 'spread.' Coal prices in this chart (maroon line) are sourced from market publications, for Indonesian origin coal (3400 GAR), imported at Kandla and delivered on average 300 km inland. Briquette prices (purple line) are based on deals done on the platform. Both are converted to GCV basis, for meaningful comparison.



The Coal vs Briquette spread practically became zero in Jun 2025, after contracting by 8 paise from the month before.

The price of imported 3400 GAR Coal into India fell to ₹1.768 per kCal-kg in Jun 2025, down just 2 paise since May. But with the price of briquettes rising to ₹1.770 per kCal-kg in the same period, the spread was only infinitesimally higher (by ₹ 0.002) in favour of briquettes. Practically speaking that is no difference at all.

Despite a decent increase in price, Standard & Superior briquettes continued to be cheaper than imported Coal – but by a small margin. Imported 3400 GAR Coal was just 7 paise more expensive than Superior briquettes (GCV ~ 3400 to 3800, Ash ~ 8 to 12%) and 9 paise more than Standard (GCV < 3400, Ash > 12%) briquettes. As coal price fell further in Jun 2025, and Premium (GCV > 3800, Ash < 8%) briquettes went the other way, the price gap between them widened to 19 paise in favour of Premium briquettes. When averaged overall, and applying weightages using market share, Briquettes and Coal were almost at par.

The international coal markets saw another month of falling prices in Jun 2025. Demand for imports into India was weaker in June. Back in May, thermal power plants had started stocked high inventories in anticipation of record high peak power demand (of 277 GW) in June. That never happened: the monsoon arrived early, kept temperatures low, and kept the power demand from peaking beyond 240~245 GW. The current expectation is the peak may be hit in September or may never reach that high level in the rest of 2025. Monsoon also slowed down evacuation of coal from ports, which also slowed imports. Currently, demand for imported coal from non-power generation sources is also lower based on weaker industrial output. If a strong monsoon disrupts the supply chain of biomass briquettes, the non-power sector may find imported coal attractive. We will be watching this closely.

The other large importer, China, is expected to see a fall in coal imports by 50 to 100 million tonnes (9 to 18% drop) in 2025. China's domestic coal production currently exceeds demand, and generation of power

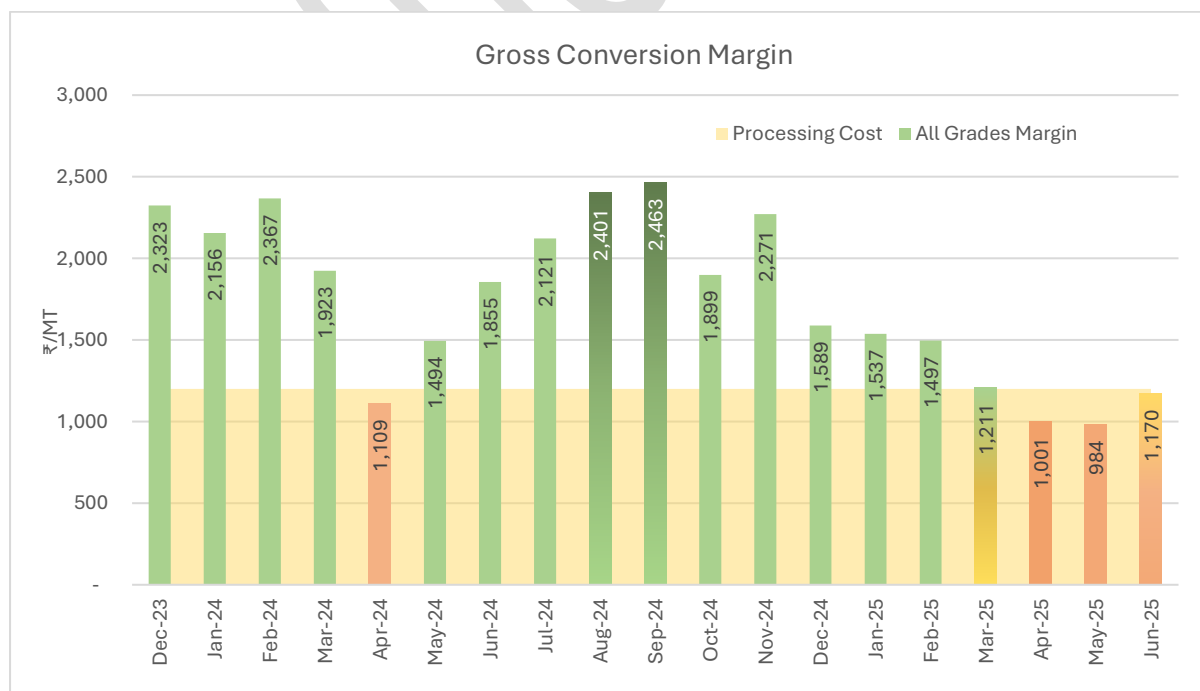
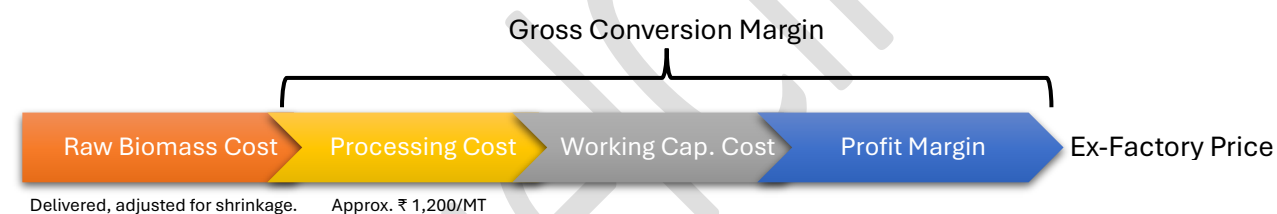
is increasingly shifting to renewable sources. Between Jan to May 2025, China added 198 GW of new solar power generation capacity – that is as much electricity that the whole of Indonesia or Turkey needs. While this is expected to slowdown in 2025 due to changes in Chinese policies for power-purchase from new renewable energy projects, such large-scale shift to renewable power does not augur well for international coal prices.

Unless there are major geopolitical disruptions, we expect the price of imported 3400 GAR coal into west coast India to remain in the ₹1.85 ~ 1.75 per kCal-kg band. Last month we gave a call saying the Coal vs Briquette spread may reverse in July – this looks all but certain.

Past Trends: Gross Conversion Margin

This chart shows the pan-India trend on the BiofuelCircle platform, of the difference between weighted average ex-factory price of Briquettes and weighted average delivered prices of Raw Biomass, converted to Rs per kCal-kg over the past months. Weighted average is calculated using quantity sought/ offered/ deals done, averaged over a month. This chart excludes commodities such as paddy straw, which are directly used for conversion to biogas or bioethanol.

To assess the inherent value of briquettes, we have compared the delivered price of raw biomass, with the ex-factory price of briquettes. Raw biomass prices have also been adjusted for expected shrinkage across various inputs. The difference represents the GCM (Gross Conversion Margin), which includes the processor's cost of conversion, inventory holding cost, and a profit margin. We have tried to benchmark this against an average processing cost of ₹ 1,200/MT (approx. ₹0.34 per kCal-kg) as represented by the shaded region in the graph below. On top of this will be the cost of working capital, which varies from processor to processor.



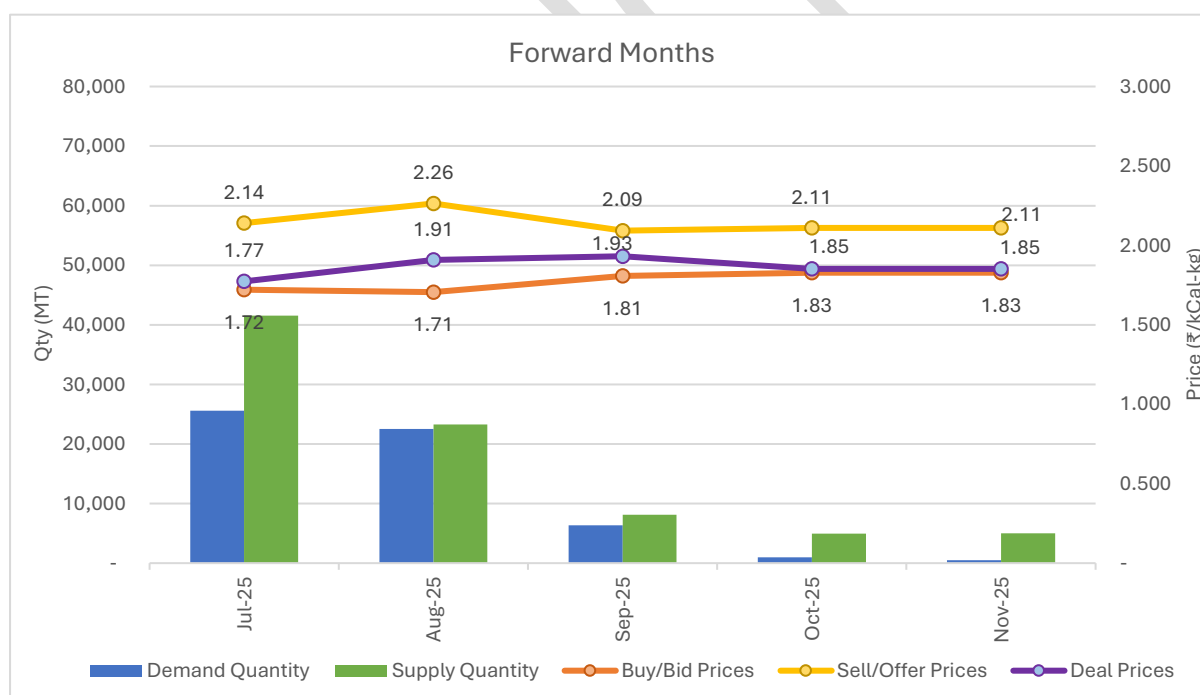
Jun 2025 brought good cheer to briquette manufacturers, with Gross Conversion Margin (CGM) for briquettes rising to ₹1,170 per MT, slightly lower than our average processing cost benchmark. The improvement over the month before came mostly through higher briquette prices.

Feedstock for Standard grades had poor availability in Jun 2025, with very small volumes of cotton stalk left over from the recent aggregation season. And these saw a major jump in prices, by as much as ₹600 per MT. So, while Standard briquettes fetched better prices in June, the margins for their manufacturers almost fell to half of the month before. Premium briquette manufacturers mostly purchased saw dust in Jun 2025, where prices went up by around ₹300 ~ 400 per MT, giving them reasonable margins around ₹1,100 ~ 1,200 per MT. Manufacturers of Superior briquettes continued to favour mustard husk (most coming from warehouses/ Biomass Banks) where prices remained stable from May to Jun 2025. But with better realisation from sale of corresponding briquettes (by almost ₹300 per MT), the biggest relief came to Superior briquette manufacturers. Most of them have started to cover their costs, with a small margin.

Thus overall, the combined GCM for all grades in June was better than May, at 18% of the average landed cost. This indeed points to some recovery in the months to come.

Forward Months: Briquette Prices

The prices (for Buys/ Bids, Sells/ Offers & Deals), as well as demand & supply quantities in the chart below are for delivery of biomass briquettes in the months to come.



In Jun 2025, the shape of the forward curves returned to what is typical for the monsoon season. Up until May, forward prices for delivery in Jul 2025 prices were uncharacteristically lower. Last month, these jumped back to a familiar level of ₹1.774 per kCal-kg. This is only slightly higher than the spot price of ₹1.77 for Jun.

The price position of the Buyers for the forward months has been largely unchanged since the month before. Buyers sought a reasonable ₹1.72 per kCal-kg for Jul 2025 delivery (up from the low ₹1.58 sought in May, for the same period). The expectation remains more or less stable for Aug and then rises above ₹1.8 for the later months of Sep and Oct 2025. For deliveries into August and beyond, the Buyers have been consistent in their Bid price.

Prices for forward deals into Aug and Sep 2025 inched closer to the ₹2 per kCal-kg high mark but are still below. Sellers seem to expect a squeeze in Aug – with supply falling to half that of Jul. This also reflects in Seller's price expectations for Aug reaching a high ₹2.26. For the rest of the forward months, the prices sought by Sellers remain in and around the ₹2.10 per kCal-kg level.

For forward delivery into Aug & Sep 2025, Deal prices pull away from Buyers' Bid price, before the difference narrows down again. While Demand in the near months indicates Buyers unwilling to commit beyond two months ahead of the spot month. Sellers on the other hand, don't seem too keen beyond the immediate month. These are monsoon dynamics at play, and participants won't reveal their cards until July or early August.

The Bid-Ask spread (between Buyer & Seller expectations) came down about 40 paise Jul 2025, but expands back to a very wide 55 paise for Aug. And then goes back to around 30 paise. 40 paise looks almost but certain as the new normal. But what is brewing in August, only time will tell.

BiofuelCircle Benchmark Prices

We continue to publish **BiofuelCircle Benchmark Prices**, as a ground-up calculation to reflect fair value proposition for both buyers and sellers to drive sustained production and usage of biofuels. These prices are offered for reference and comparison.

Biomass feedstock, briquettes, pellets are all traded in volume on the BiofuelCircle platform. Through direct connect with participants (buyers & sellers), and its own internal research, the platform has access to cost elements such transport, storage, working capital, labour, seasonal variations, etc. Taken together, BiofuelCircle's analysts compute a range of prices that can provide stable margins to sellers, and at the same time are competitive for buyers.

Based on feedback received, this month we are introducing a simpler, national benchmark price for various grades, with a longer outlook beyond three months:

Ex-factory, ₹per kCal-kg

Grade	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Standard (GCV< 3400, Ash >12%)	1.44	1.45	1.42	1.43	1.44
Superior (GCV~3400 to 3800, Ash~8 to 12%)	1.46	1.47	1.44	1.39	1.40
Premium (GCV > 3800, Ash < 8%)	1.92	1.92	1.93	1.92	1.92

How do you find this simpler format? Do share your feedback. More granular data, based on place of supply or demand is available for registered users of the platform. Reach out to with [your BiofuelCircle representative](#) to know more.

In Conclusion

Jun 2025 signalled a breakout of briquette prices, with the weighted average climbing to ₹1.77 per kCal-kg. While all grades became more expensive in June as compared to May, the increase was highest for Standard briquettes (at 8%), followed by Superior briquettes (over 5%). Unexpectedly, Standard grades regained market share, taking more than half of all volumes traded in Jun 2025. Now with lack of feedstock, these should start losing market share to Superior and Premium grades.

Superior briquettes were 8 paise below 3400 GAR imported coal in June. With coal expected to remain at the same level or slightly lower, we expect the prices of Superior briquettes come very close or exceed the price of imported coal in the coming months. The Coal vs Briquette spread is on course to reverse in Jul 2025. Premium briquettes are flirting with the ₹2 per kCal-kg price level, it remains to be seen if they will cross it in July.

Gross Conversion Margin (GCM) for briquette manufacturers will see improvement in the coming months, after Jun brought respite especially for makers of Premium and Superior grades. Manufacturing of Standard grades typically pauses in the monsoon months, except for plants currently sourcing from our Biomass Banks. A fair expectation for GCM would be over 20% of landed cost of briquettes.

In the forward months, a sharp fall in Supplier willingness to offer quantities beyond one month ahead points to a possible shortage in Aug 2025. Buyers have started to factor in a price increase, with their willingness to offer a higher Bid price, and willingness to close deals further away from their initial negotiating positions.

The monsoon covered all of India in Jun 2025, as against the usual date of first week of July. The states of Gujarat, Rajasthan and western Madhya Pradesh have received large excess rainfall. Parts of Bihar, Northeast India, some parts of Marathwada and Rayalaseema however saw deficit rainfall. The rest of the country received either normal or above normal rain. These are good signs for kharif sowing. As of mid-June, paddy sowing was 13% higher compared to same period last year, sugarcane acreage was slightly higher due to attractive prices for the crop. We will keep watching this data to estimate the potential biomass availability at the end of the kharif season.

If you are a Briquette/ Pellet manufacturer, how could these trends impact you? [Get in touch with your BiofuelCircle representative](#) to know more.

Are you a consumer of briquettes or pellets? Connect with [your BiofuelCircle representative](#) to understand how Benchmark prices can help give you price predictability and stability.

Disclaimer: This data is based on deals published and concluded on the BiofuelCircle platform during the period specified. The information contained is merely a guidance and not to be considered as an advisory for trading. The contents do not constitute professional advice or provision of any kind of services and should not be relied upon as such. BiofuelCircle does not make any recommendations and assumes no responsibility for any transaction/trading in commodities done based on the information given in the document and any such commitment/trade is subject to market and commercial risks for which BiofuelCircle shall not be responsible. *

To learn more, reach out to us at: Email: info@biofuelcircle.com Contact No: +91 (20) 48522522