

Vivergo Plant Shutdown Poses New Challenges for UK Agricultural Economy and Biofuel Industry

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The suspension of operations at the Vivergo bioethanol plant in Hull has raised renewed concerns for the UK agricultural economy, particularly among wheat growers and stakeholders in the domestic biofuels market.

Jamie Burrows, Chair of the National Farmers' Union (NFU) Combinable Crops Board, noted that the closure could have widespread economic consequences: "This has the potential to put further downward pressures on farmgate prices at a time when our arable farmers are already facing huge challenges." He added that more robust support for UK-based biofuel production is essential to safeguard the economic viability of domestic crop growers.

The NFU is urging the government to expand the use of crop-based biofuels in the transport and aviation sectors. This, they argue, would open new markets for British wheat, reinforce energy security, and strengthen the rural economy. Without such intervention, the UK may become more reliant on bioethanol imports to meet renewable fuel mandates, undermining the benefits of homegrown production and shifting economic value abroad.

Owned by Associated British Foods (AB Foods), the Vivergo plant has ceased accepting wheat deliveries amid ongoing uncertainty linked to international trade, specifically UK–United States negotiations.

As one of the UK's two large-scale bioethanol facilities, it played a significant role in supporting both regional farm incomes and national low-carbon fuel production. Its abrupt closure marks a setback for British arable producers and exposes growing vulnerabilities in the UK's agricultural supply chain.

Vivergo had been processing over one million tonnes of wheat annually, sourced from more than 4,000 UK farms. The site also contributed to national production of essential co-products, such as animal feed and food-grade carbon dioxide. These outputs now face disruption, adding to inflationary pressures in the agricultural and food-processing sectors.

Economically, the closure threatens to further destabilise the grain market. Wheat prices are already under pressure due to global volatility, and the removal of Vivergo as a major domestic buyer is expected to reduce demand, particularly in Yorkshire and northern England. This could result in lower farmgate prices and reduced revenue for growers, many of whom are already contending with erratic weather patterns and rising input costs.