

# Trade: Eliminate Barriers for U.S. Bioethanol

Biofuels are the most cost-effective and expeditious solution for nations looking to achieve carbon reduction goals, improve energy security, and reduce prices at the pump.

However, tariffs, technical trade barriers, and inaccurate carbon intensity scores pose challenges to U.S. exporters looking to satisfy growing biofuel demand across the globe. They also disadvantage U.S. farmers by closing off potential markets. This must be addressed.

## OVERVIEW

The U.S. bioethanol industry exports roughly 1.5 billion gallons of bioethanol annually and purchases 500 million bushels of corn to satisfy that export demand. The value of that bioethanol is \$3 billion, and the value of the corn purchased is more than \$2 billion. The U.S. bioethanol industry also exports 11 million metric tons of dried distillers grains (DDGS), a nutrient-rich animal feed made during bioethanol production, worth about \$2 billion.

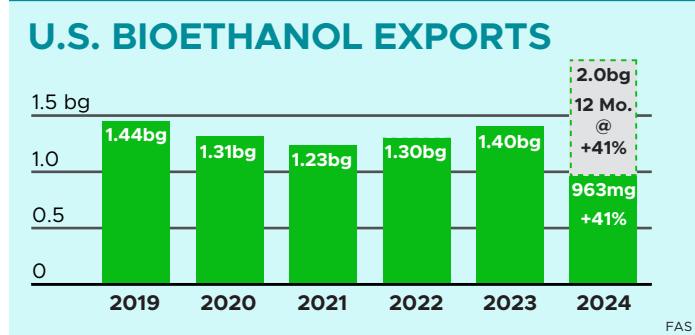
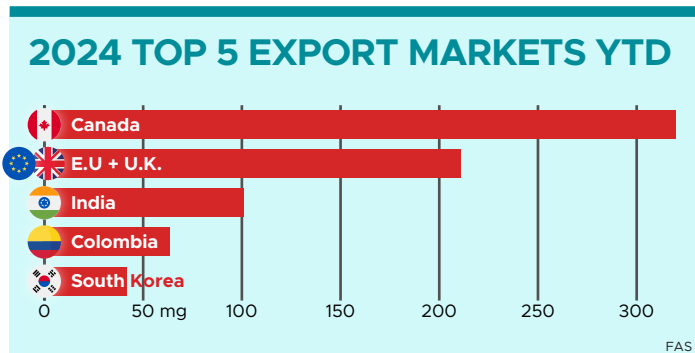
## OPPORTUNITIES TO INCREASE EXPORTS

**BRAZIL:** On February 1, 2023, the Brazilian Foreign Trade Chamber reinstated an import tariff on American bioethanol shipped to Brazil. This tariff increase is especially concerning given the duty-free treatment Brazilian bioethanol exports receive in the U.S. market. Brazilian bioethanol producers also have access to our Renewable Fuel Standard and California’s Low Carbon Fuel Standard program, which recognize the inherent value of low-carbon biofuels. Despite years of effort, not a single U.S. bioethanol producer has been qualified for Brazil’s biofuel program, RenovaBio. Even if qualified, U.S. producers would need to be certified because default carbon intensity (CI) scores are 2.5 times worse than typical CI scores.

**ASK** Eliminate the tariff and allow U.S. producers fair access to the RenovaBio program.

**CANADA:** The leading importer of U.S. bioethanol is expected to see continued growth. In 2022, Environment and Climate Change Canada (ECCC) finalized its Clean Fuel Regulation (CFR). The CFR will rely heavily on the use of low-carbon biofuels like bioethanol as they move toward a 15 percent renewable content by 2030.

**ASK** Ensure CFR implementation and consistent enforcement, including maintaining equal access for U.S.



exporters into the Canadian bioethanol market, and ensure that full CCS carbon intensity value is attributable to the bioethanol gallon within the CFR.

**INDIA:** India is blending over 10 percent bioethanol into fuel with an ambitious national blending goal of 20 percent by 2025. However, to achieve this goal, India will need to allow for the import of fuel grade bioethanol, which is currently banned. The nation only imports industrial grade bioethanol.

**ASK** Adhere to their E20 goal and eliminate the ban on fuel grade bioethanol imports.

**UNITED KINGDOM:** In September 2021, the U.K. moved to an E10 standard. Since then, U.S. exports to the U.K. have increased considerably. Starting in 2027 there is a cap on crop-based biofuels which gradually decreases from 7 to 2 percent over a 5-year period. This will reduce the amount of U.S. bioethanol that can compete for this market. The U.K. also has a restrictive water spec that increases the cost of bioethanol.

**ASK** Continue engaging the U.K. government to achieve a national average blend rate of E10 in accordance with its 2021 E10 mandate rollout and identify further policy support measures, including the utilization of the U.K.’s updated Renewable Transport Fuel Obligation (RTFO).

