# REMOVING TRADE RESTRICTIONS ON ETHANOL

growth energy™
America's Ethanol Supporters

We want to remove trade barriers that restrict U.S. ethanol exports from accessing and growing within international markets.

In 2018, the U.S. exported 1.7 billion gallons of ethanol[1] to 72 countries. With over 60 nations having a renewable fuels policy and many countries using higher ethanol blends to meet stricter fuel standards, American farmers, ethanol producers, and our rural economy should have the opportunity to access and compete within these international markets. Instead, certain trade barriers are limiting U.S. ethanol from accessing this increased global demand for renewable fuel.[2]

## Major Priority Markets

Brazil, Canada, China, India, Japan, and Mexico represent about 30% of global gasoline demand.

This group accounts for about 64% of U.S. ethanol exports in 2018 and has a combined potential of 14.2bg of new ethanol demand (4.89b bushels of corn).[3]

## OPPORTUNITIES TO INCREASE EXPORTS

In 2016, **China** was the U.S. ethanol industry's third-largest export market,[4] and has recently announced a plan for nationwide E10 by 2020. However, because of recent and drastic increases in tariffs, the U.S. ethanol industry has essentially been shut out of the market and unable to export to China.

*Tariffs have increased to 70% on U.S. ethanol (30% in Jan 2017, moved to 45% in April 2018, and moved again to 70% in July 2018).*[5]

U.S. ethanol has effectively been shut out of the E.U.[6] since February 2013 due to unwarranted anti-dumping tariffs.

*Tariffs are currently under review by the Commission in E.U.*

**Brazil** has a standard of 27 percent ethanol fuel blend.[7]

*U.S. producers face a 20% tariff on quantities over 40 million gallons/quarter.*

The Prime Minister of **India** has set a goal for higher blending rates by 2030.[8]

*The goal calls for 20% blending of ethanol with gasoline but the government currently bans any import of ethanol for fuel use.*

## ETHANOL PROVIDES SEVERAL BENEFITS

- ✓ Reduces toxic gasoline components that can cause cancer and damage human health[9]
- ✓ Lowers fuel prices[10]
- ✓ Increases octane[11]
- ✓ Lowers greenhouse gas emissions[12]

1 USDA, Foreign Agricultural Service, GATS, Mar. 25, 2019
2 IEA, Global Renewable Energy Policies and Measures 1974-2017, April 2019
3 USDA, Foreign Agricultural Service, GATS, Mar. 25, 2019
4 USDA, Foreign Agricultural Service, GATS, Mar. 25, 2019
5 Reuters, U.S. asked China for lower ethanol tariffs: agriculture secretary, Feb. 26, 2019
6 Growth Energy Press Release, 'Joint Statement: EU Tariff is Unprecedented, Unfounded – Will be Challenged', Feb. 19, 2013
7 USDA, Foreign Agricultural Service, GAIN Report – BR17006, Sep. 15, 2017
8 Reuters, India to step up use of biofuels to cut oil import bill, Aug. 10, 2018
9 University of California Riverside Study, "Investigating the Effect of Varying Ethanol and Aromatic Fuel Blends on Secondary Organic Aerosol (SOA) Forming Potential for a FFV-GDI Vehicle," April, 2018
10 Growth Energy EPA Testimony, March 2019
11 Growth Energy, Engine Performance 101: Why Ethanol is a Car's Best Friend, Sept., 2017
12 USDA, "The Greenhouse Gas Benefits of Corn ethanol – Assessing Recent Evidence," April 2, 2019