

# REMOVING TRADE RESTRICTIONS ON ETHANOL

Current trade barriers are restricting U.S. ethanol exports from accessing and growing within international markets. Swift resolution is needed to ensure market access abroad for American biofuels.

In 2018, the U.S. exported 1.7 billion gallons of ethanol<sup>1</sup> 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, trade barriers in priority markets are limiting U.S. ethanol from accessing this increased global demand for renewable fuel.<sup>2</sup>

## Major Priority Markets

Brazil, Canada, China, India, Japan, Mexico, and Indonesia represent over 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).<sup>3</sup>



## OPPORTUNITIES TO INCREASE EXPORTS



In 2016, **China** was the U.S. ethanol industry's third-largest export market,<sup>4</sup> and recently announced a plan for nationwide E10 by 2020. However, because of recent and drastic increases in tariffs, tariffs are now **70 percent on U.S. ethanol**, essentially shutting the U.S. ethanol industry out of the second largest gasoline market in the world.



**Brazil** has a standard of 27 percent ethanol fuel blend, but U.S. producers face a 20 percent tariff on ethanol imports over 40 million gallons/quarter. This trade barrier is expected to worsen in September, and apply to **all** imported U.S. ethanol gallons going forward.<sup>5</sup>



The Prime Minister of **India** has set a goal for higher blending rates by 2030. The goal calls for 20 percent blending of ethanol with gasoline, but the government currently bans any import of ethanol for fuel use.<sup>6</sup>

## ETHANOL PROVIDES SEVERAL BENEFITS

- ✓ Reduces toxic gasoline components that can cause cancer and damage human health<sup>7</sup>
- ✓ Lowers fuel prices<sup>8</sup>
- ✓ Increases octane<sup>9</sup>
- ✓ Lowers greenhouse gas emissions<sup>10</sup>

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 [USDA](#), Foreign Agricultural Service, GAIN Report – BR17006, Sep. 15, 2017  
6 [Reuters](#), India to step up use of biofuels to cut oil import bill, Aug. 10, 2018  
7 [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  
8 [Growth Energy EPA Testimony](#), March 2019  
9 [Growth Energy](#), Engine Performance 101: Why Ethanol is a Car's Best Friend, Sept., 2017  
10 [USDA](#), "The Greenhouse Gas Benefits of Corn ethanol – Assessing Recent Evidence," April 2, 2019