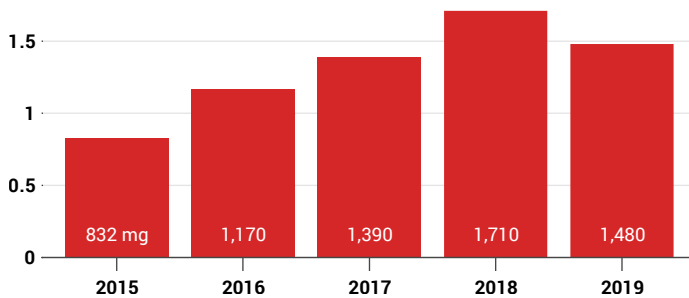


REMOVING TRADE RESTRICTIONS ON ETHANOL

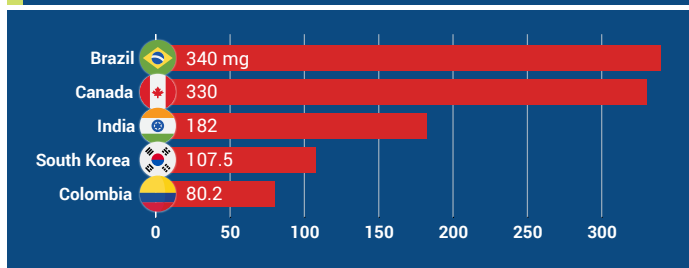
In 2019, U.S. ethanol exports totaled 1.48 billion gallons which accounted for 9.3% of annual production.¹

International markets represent significant opportunities for U.S. ethanol to grow. Tariffs, technical trade barriers, and ensuring trade agreement promises are fulfilled pose challenges to the industry. Our producers are eager to compete and make the most efficient and cleanest source of renewable fuels in the world.

FIVE-YEAR SNAPSHOT



2019 TOP 5: U.S. ETHANOL EXPORTS



OPPORTUNITIES TO INCREASE EXPORTS



CHINA: Ethanol and Dried Distiller Grains were included in the January 2020 Phase One trade deal, but to date no purchases have been made. We ask that the tariff on ethanol return to 5% which will allow U.S ethanol exports to be competitive in that market. For DDGS, we ask for a removal of anti-dumping and countervailing duties, which total between 53.4% and 65.7%.



BRAZIL: Leadership continues to institute a tariff rate quota (TRQ) on U.S. ethanol imports which sets a threshold of ethanol that can be imported into Brazil without triggering a 20% tariff. It is important to receive a commitment from Brazil that the current TRQ be allowed to expire at the end of its term this summer and immediately reinstate the zero-duty exemption for ethanol. Today, Brazilian ethanol continues to be afforded virtually tariff-free access to our markets.



MEXICO: We are concerned that Mexico's Energy Regulatory Commission (CRE) will prohibit the use of 10% ethanol blending in gasoline (E10) in its revised regulations after Mexico's Supreme Court ruling. We ask for assistance in ensuring continued E10 usage in Mexico, as well as its expansion nationwide to include the three metropolitan areas. Nationwide E10 in Mexico will result in significant environmental and economic benefits, including Mexican consumers saving over 11 billion pesos per year.

OPPORTUNITIES ABROAD

Growth Energy staff identified 5.24 billion gallons of potential new U.S. ethanol demand in seven target markets.



¹ EIA, April 30, 2020