

Congress of the United States

Washington, DC 20515

May 31, 2023

The Honorable Katherine Tai
United States Trade Representative
600 17th St NW
Washington, DC 20508

Dear Ambassador Tai:

We write to raise a critical international trade issue that is having a detrimental impact on the American agricultural economy.

On February 1, 2023, the Brazilian Foreign Trade Chamber (Camex) reinstated an import tariff on American ethanol shipped to Brazil. The new tariff rate on ethanol will be 16 percent this year and 18 percent in 2024. Before this announcement, American exports of ethanol to Brazil had received duty-free treatment since March 2022. This tariff increase is especially concerning given the duty-free treatment Brazilian ethanol exports receive in the U.S. market.

Additionally, there are non-tariff barriers that further complicate our bilateral ethanol trade with Brazil. Brazilian ethanol producers have access to our Renewable Fuels Standard and California's Low Carbon Fuel Standard program, which recognize the inherent value of low-carbon biofuels. This treatment is not reciprocated by Brazil, where U.S. ethanol producers, after two years, have yet to be approved for Brazil's biofuel program, RenovaBio.

Currently, U.S. biofuel production supports 555,000 jobs across the country and the U.S. ethanol industry annually produces roughly 16 billion gallons of low carbon, renewable fuel that helps reduce prices at the pump. The ethanol industry purchases 500 million bushels of corn per year that are exported as finished fuel grade ethanol. The value of that purchased corn is about \$2.5 billion, while the ethanol exported is worth about \$4 billion. The ethanol industry also exports 11 million metric tons of dried distillers grains (DDGS), a nutrient-rich animal feed made during ethanol production, worth approximately \$4 billion. Brazil's unfair treatment of U.S. exports and the unlevel playing field for American ethanol could displace American ethanol and harm the rural communities we represent.

We believe the double layer issue of a tariff imbalance and an impenetrable RenovaBio is unjustified and puts American ethanol and farmers at risk. We strongly urge you to prioritize American ethanol export competitiveness in the Brazilian market by addressing these unfair policies. Further, if Brazil continues with its unfair treatment of American ethanol, we stand ready to work with you to consider measures that protect U.S. farmers and biofuels producers and counter these unfair trade practices.

We appreciate your attention to this matter and look forward to the opportunity to discuss ways to address this trade imbalance with Brazil.

Sincerely,



Darin LaHood
Member of Congress



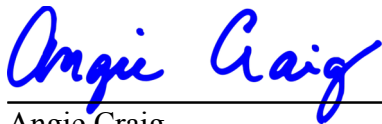
Randy Feenstra
Member of Congress



Adrian Smith
Member of Congress



Michelle Fischbach
Member of Congress



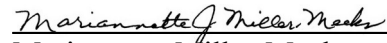
Angie Craig
Member of Congress



Mark Pocan
Member of Congress



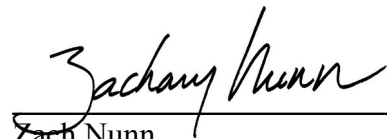
Dusty Johnson
Member of Congress



Mariannette Miller-Meeks,
M.D.
Member of Congress



Mike Bost
Member of Congress



Zach Nunn
Member of Congress



Daniel T. Kildee
Member of Congress



Sam Graves
Member of Congress



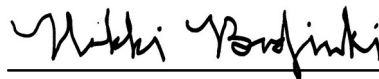
Mark Alford
Member of Congress



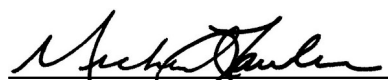
Bill Foster
Member of Congress



Don Bacon
Member of Congress



Nikki Budzinski
Member of Congress



Michael V. Lawler
Member of Congress



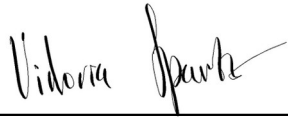
Brad Finstad
Member of Congress



Mike Flood
Member of Congress



James R. Baird
Member of Congress

A handwritten signature in black ink that reads "Victoria Spartz". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Victoria Spartz
Member of Congress