

ELIMINATE TRADE BARRIERS FOR U.S. ETHANOL

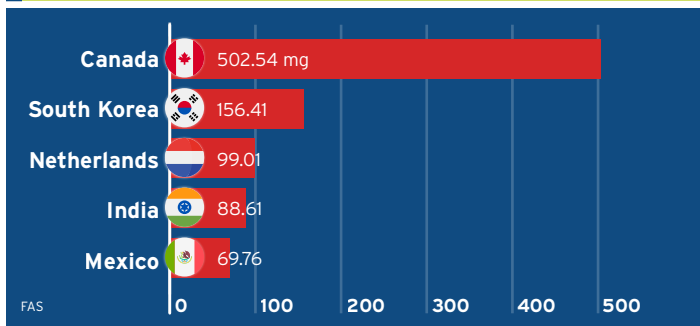
As nations around the globe look to find ways to achieve their carbon reduction goals and improve energy security, they are turning to biofuels as a solution. However, tariffs, technical trade barriers, inaccurate carbon intensity scores, and food vs fuel propaganda pose challenges to U.S. exporters looking to satisfy growing biofuel demand abroad.

Expanding ethanol use worldwide is the most cost effective and expeditious way for countries to meet their carbon reduction goals and increase energy security.

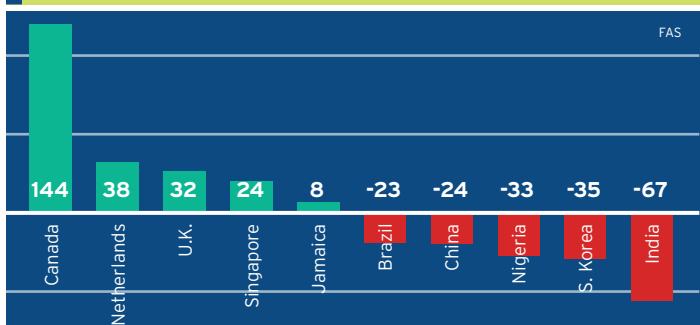
OVERVIEW

In 2022, U.S. ethanol exports totaled 1.35 billion gallons which exceeds 2021 by 115 million gallons.

2022 TOP 5 EXPORT MARKETS



2022 WINNERS & LOSERS



OPPORTUNITIES TO INCREASE EXPORTS

CANADA: Our “northern star” has been and will continue to be the strongest importer of U.S. ethanol in 2023 and beyond. In 2022, Environment and Climate Change Canada (ECCC), after almost 6 years, finalized its Clean Fuel Regulation (CFR). The previous 12-month rolling average has increased 144 million gallons, and more growth is expected as provinces continue to implement stronger biofuel blending policies. By 2030, the demand for ethanol in Canada could double. Most of that additional demand will most likely be met by U.S. imports.

ASK Critical to get guidance on LUB compliance and the GPS requirements under the CFR before the January 1, 2024 deadline.

INDIA: Expected to be the most populous nation this year is only an importer of industrial grade because fuel grade ethanol imports are banned. India is currently blending around 10 percent ethanol into fuel with an ambitious national blending goal of reaching 20 percent by 2025. To achieve this goal, India will probably need to allow imports of fuel-grade ethanol.

ASK Adhere to E20 by 2025 by eliminating the ban on fuel grade imports and allow global trade to supplement supply needs.

BRAZIL: In March 2022, Brazil dropped its tariff on U.S. ethanol imports for the remainder of the year for politic/inflationary reasons. It was extended to the end of January for the new administration transition; but has now reverted to 18%. We would like the tariff to be permanently lifted since Brazilian ethanol imports to the U.S. are tariff-free and are eligible for RFS and California LCFS credits causing a significant ethanol trade disparity.

ASK Eliminate the tariff and allow U.S. producers fair access to RenovaBio with reasonable default scores .

JAPAN: The “Land of the Rising Sun” currently uses ETBE – which is produced in the U.S. and was only allowed to contain up to 66 percent U.S.-based ethanol. Effective April 1, METI officially lowered the U.S. ethanol CI score which raised the ceiling on U.S. ethanol for ETBE production to 100 percent. The next step is to develop a road map for direct blending of E3 fuel since it is already approved and has no vehicle or infrastructure compatibility issues.

ASK Encourage Japan to continue to decarbonize by transitioning to direct blending of ethanol (E3).

UNITED KINGDOM: In September 2021 the U.K. moved to an E10 mandate. Since that time U.S. exports to the UK have been up considerably. Starting in 2027 there is a crop cap which gradually decreases from 7 to 2 percent over a 5-year period.

ASK Push back on progressively lower crop cap limits and raise the water spec on ethanol to remain competitive on cost.