

December 1, 2025

Ms. Jennifer Thornton
General Counsel
Office of the U.S. Trade Representative
600 17th Street NW
Washington, DC 20508
Docket ID: USTR-2025-0007

Dear Ms. Thornton:

Thank you for the opportunity to comment as part of a Section 301 investigation into China's implementation of the Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China ("Phase One Agreement").

We appreciate the support and assistance of the Office of the U.S. Trade Representative (USTR) on this important issue as well as the agency's continued engagement with foreign governments to expand market access for U.S. ethanol. Growth Energy is the nation's largest association of ethanol producers, representing 97 U.S. plants that each year produce 9.5 billion gallons of low-carbon, renewable fuel; 130 businesses associated with the production process; and tens of thousands of ethanol supporters around the country. Growth Energy represents the leading exporters in the ethanol industry, helping to support nearly 2 billion gallons of ethanol exports to over 60 countries around the world.

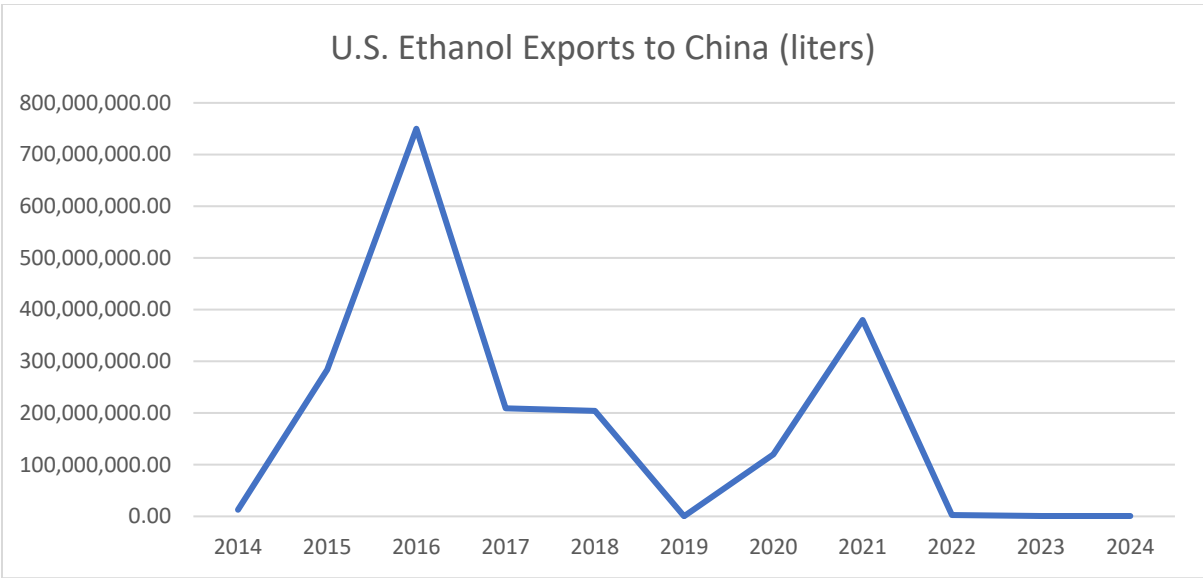
In January 2020, China committed to substantial purchases under the Phase One Agreement, including for agricultural commodities. These commitments have not been fulfilled. We welcome USTR initiating this investigation.

The 2017 baseline for U.S. agricultural exports to China amounted to \$19.6 billion¹. The Phase One Agreement does not specify how the additional agricultural purchases would be proportioned per commodity, although ethanol is specifically included in the "other" category. China agreed to \$32 billion in additional agricultural purchases over two years (\$12.5 billion in 2020 and \$19.5 billion in 2021) above the 2017 baseline and agreed to strive for a further \$5 billion in additional imports per year of agricultural products. Thus, China's minimal purchase commitment of \$32.1 billion in 2020 and \$39.1 billion in 2021 not including the strived-for \$5 billion.

However, the actual U.S. agricultural exports to China in 2020 (\$26.4 billion) and in 2021 (\$32.8 billion) were far below these commitments and the added annual \$5 billion also never materialized. Actual exports only amounted to 82 percent of minimal commitments in 2020 and 84 percent of minimal commitments in 2021.

¹ Trade data compiled from the U.S. Department of Agriculture's Global Agricultural Trade System.

The 2017 baseline for U.S. ethanol was 55 million gallons valued at \$83 million. However, this baseline is well below U.S. ethanol exports to China in 2016, which amounted to 198 million gallons valued at \$313 million. In 2020, U.S. ethanol exports were valued at \$50.9 million (32 million gallons) and in 2021 were valued at \$162.4 (100 million gallons). Since then, no meaningful volumes have been exported, including in 2022 while other agricultural commodities were still generally increasing in export value to China.



China committed to a 64 percent increase over the 2017 baseline for 2020 and a 99 percent increase over the 2017 baseline for 2021 in its agricultural purchase commitments under the Phase One Agreement. No specific dollar or volumes were noted for ethanol purchases. However, using these percentages, an estimate of ethanol purchases can be extrapolated had China adhered to its commitments. Accordingly, ethanol purchases fell below what was expected considering the overall percentage increase of commitments over the 2017 baseline.

	2017 Baseline	Additional Purchase Commitments	Total Purchase Commitment	Percentage Increase Over Baseline (Commitment)	Actual Exports	Percentage Increase Over Baseline (Actual)	Difference in Commitment vs. Actual
Agriculture (billions)							
2020	\$19.6	\$12.5	\$32.1	64%	\$26.4	35%	-\$5.7
2021	\$19.6	\$19.5	\$39.1	99%	\$32.8	67%	-\$6.3
Total		\$32.0	\$71.2		\$59.2		-\$12.0
Ethanol (millions)							
2020	\$83.2	\$53.1	\$136.3	64%	\$50.9	-39%	-\$85.4
2021	\$83.2	\$82.4	\$165.6	99%	\$162.4	95%	-\$3.2
Total		\$135.5	\$301.9		\$213.3		-\$88.6

In 2021, U.S. ethanol exports experienced a 95 percent increase over the 2017 ethanol baseline, which is aligned with the agreement's overall commitment percentage increase applied to ethanol purchases. However, in 2020, U.S. ethanol exports of \$50.9 million was 39 percent lower than the 2017 ethanol baseline of \$83.2 million. The actual amount of U.S. ethanol exports in 2020 was below the anticipated \$136.3 million in ethanol purchases if considering the agreement's overall 2020 purchase commitment percentage increase of 64 percent over the 2017 baseline.

Under this approach, there was an \$85 million purchase deficit of U.S. ethanol by China in 2020 and a \$3.2 million purchase deficit in 2021, for a combined total of \$88.6 million in non-martialized purchases of U.S. ethanol by China.

A second way to consider if China fulfilled its purchase commitments related to U.S. ethanol is comparing the overall share of U.S. ethanol to other agricultural purchases. In 2017, U.S. ethanol accounted for 0.4 percent of U.S. agricultural exports to China. Of the additional \$32 billion in additional agricultural purchases China committed to, 0.4 percent would mean \$135.5 million of the additional purchase commitments would be of U.S. ethanol. Factoring in the 2017 ethanol baseline and actual exports, this method shows an \$88.6 million U.S. ethanol purchase deficit by China under the Phase One Agreement.

Both assumptions show deficits higher than the value of U.S. ethanol exports to China in 2017. The above assumptions also did not include the additional \$5 billion in agricultural purchases China agreed to strive for.

Thank you for your consideration of these comments related to our concerns that China has not followed through on its agricultural purchases under the Phase One Agreement, neither generally nor on ethanol specifically. Growth Energy looks forward to working further with USTR to resolve unfairness issues facing U.S. ethanol.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Bliley", with a stylized flourish at the end.

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy