

## Policy Development Remains Top Priority for USGC In Expanding Global Ethanol Use and Trade

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By Brian Healy | January 25, 2022

This year will mark a growth period for global ethanol trade as demand returns to 2019 levels. Expansion beyond pre-pandemic levels will rely primarily on policy outcomes in major markets including India, Japan, Brazil and Canada that expand global demand. In its December 2021 report, the International Energy Agency, agreed, saying “policy discussions … will have a profound impact on biofuel prospects over the next five years.”

Globally, the U.S. Grains Council is positioned to support these countries in fully implementing their biofuels policies; to recognize the role ethanol has in meeting net-zero emissions targets for the transport sector; and to ensure global product availability through trade by building strategic partnerships with local industry and government entities. With nine international offices and representatives in nearly a dozen other markets, the Council is the eyes, ears, and front-line champions for the global ethanol industry.

The United States remains the leader in global ethanol trade, supplying nearly 60 percent of import demand. For the U.S. economy, that translates to more than 16,000 jobs. Today, the U.S. exports about 10 percent of production, but that could grow further as more policies are put in place. The industry objective remains the same in 2022—continue the expansion and enforcement of global policies with a role for trade.

Sharing the benefits of expanded ethanol use remains a priority for the Council in its work around the world. The extensive lifecycle analysis work in the public and private sectors, as well as academia, and the greenhouse gas (GHG) reduction potential generated by expanding ethanol use are leading topics of many discussions. Countries responding to their Paris Agreement commitments, or their own national measures to reduce overall emissions, are better understanding the role for ethanol today and in the long term through our on-the-ground engagements. Obtaining broader endorsements and support at the national and multilateral levels remains critical in the years to come.

This year will be a bright spot in global ethanol policy expansion. India, in which the Council recently opened its ninth office, is looking to achieve its 10 percent blend rate; Japan is reviewing its ethyl tert-butyl ether (ETBE) cap set in 2009 with a potential to double its current rate; Brazil's third year of RenovaBio is underway; Canada's years-long Clean Fuel Standard (CFS) process is set to release a final regulation by the end of 2022; and Colombia is expected to return to the 10 percent blend rate it had reduced in early 2021. The growth of the global industry will rely on continued cooperation and collaboration, and the Council is poised to provide that support.

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