Focusing on the Rural Economy

With trade policy decisions that hampered global crop marketing and bad weather wreaking havoc across the Corn Belt, 2019 was a year that many in rural America are glad to have in the rear-view mirror. As in 2018, 2019 brought on another year of reduced cash receipts, as a trade dispute with China continued to be felt, bolstered only in part by a series of direct farm program payments. In its own 2020 outlook, CoBank reports that rural America will continue to lag behind the rest of the country; GDP growth in rural counties has averaged nearly 1 percent less than in urban counties since 2014.

This is why growing the ethanol industry remains of vital importance to rural America. In 2019, there were 68,684 U.S. jobs directly associated with the ethanol industry, and it supported an additional 280,327 indirect and induced jobs across all sectors of the economy. The industry created $23.3 billion in household income and contributed $43 billion to the national Gross Domestic Product. Moreover, the ethanol industry spent over $27 billion on raw materials, inputs, and other goods and services.

Just as U.S. ethanol production has contributed to America’s energy independence, so too have many of those working at ethanol plants and supporting operations: Almost one-quarter of the men and women employed by the industry are veterans of the U.S. military, and we salute them.

Ethanol’s Value-Added Proposition

Based on average prices and product yields in 2019, a typical dry mill ethanol plant was adding roughly $1.20 of additional value—or 31%—to every bushel of corn processed.

<table>
<thead>
<tr>
<th>CORN COST PER BUSHEL</th>
<th>VALUE OF OUTPUTS PER BUSHEL</th>
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</thead>
<tbody>
<tr>
<td>$3.90</td>
<td>Ethanol..........................$3.82</td>
</tr>
<tr>
<td></td>
<td>Distillers Grains................$1.11</td>
</tr>
<tr>
<td></td>
<td>Corn Distillers Oil.............$0.17</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong>                      $5.10</td>
</tr>
</tbody>
</table>

In 2019, the production of 15.8 billion gallons of ethanol and 39.6 million metric tons of co-products and distillers oil had substantial economic impacts, including:

- 68,684 direct jobs
- 280,327 indirect and induced jobs
- $43 billion contribution to GDP
- $23.3 billion in household income
Gross Value of U.S. Ethanol Industry Output

Source: RFA based on U.S. Dept. of Agriculture data

Ethanol Industry Workforce Demographics

Sources: National Association of State Energy Officials & Energy Futures Initiative