The United States remained the world leader in ethanol production in 2020, despite the pandemic-induced reduction in output. The U.S. saw its share of total global output decline slightly to 53 percent, but we remained responsible for more than half of worldwide production. Meanwhile, Brazil’s share of total world production rose slightly to 31 percent.

U.S. ethanol exports were buffeted by a combination of the impact of the global pandemic on fuel consumption and prices and by a further ratcheting up of trade restrictions. Exports fell 9 percent from 2019 to an estimated 1.3 billion gallons.

Canada regained its position as the top destination for U.S. ethanol, taking one-quarter of U.S. exports. However, exports to Brazil plunged more than 40 percent, as a result of the pandemic’s impact on fuel consumption and on-again, off-again turmoil surrounding the country’s tariff-rate quota. In December, Brazil let the tariff-free quota expire for good, resulting in a 20 percent tariff being assessed on all U.S. ethanol imports.

On the bright side, shipments to India increased approximately 15 percent, putting it roughly on par with Brazil as the second-largest destination for U.S. ethanol. Exports to Mexico doubled. The increased global demand for industrial alcohol also helped buoy overall U.S. exports, as manufacturing of sanitizers and disinfectants increased.

U.S. ethanol imports in 2020 were on par with 2019 levels, despite the cutback in U.S. fuel consumption. Virtually all fuel ethanol imports entered the country in California, where Brazilian sugarcane-based ethanol has benefitted from both the state’s Low Carbon Fuel Standard and from premium values for “advanced biofuel” RFS credits, or RINs.
Global ethanol production fell to 26 billion gallons in 2020 as a result of the coronavirus pandemic. The United States remained the largest producer, accounting for over half of global output.

Source: RFA analysis of public and private data sources