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If you are interested in biofuels in general.



The following Global Agricultural Information Network (GAIN) reports were released on Friday, August 9, 2019.

#### [Argentina: Biofuels Annual](#)

Argentina's fuel ethanol production and consumption remains stable with 2019 forecast at 1.1 billion liters with no trade expected and the E12 mandate blend near 11.5 percent. Biodiesel production in 2019 is projected to drop 9 percent year-over-year to 2.5 billion liters, following a 15 percent drop in 2018 with declining exports and production capacity use falling to 50 percent. Domestic consumption reflects little change at 1.3 billion liters, a near record high since 2017 but with no sustained upward movement since the B10 mandate was essentially met. Exports are forecast at 1.2 billion liters, down 400 million liters from last year. Argentina's duty-free quota of 1.36 billion liters with a minimum set price to the EU is not expected to fill this year. No biodiesel exports are expected in 2019 to the US despite its preliminary lowering of countervailing duties due to remaining anti-dumping duties.

#### [Canada: Biofuels Annual](#)

In December 2018, Canada released a highly anticipated document outlining the beginnings of a nationwide framework for switching from a volumetric to a carbon intensity approach for renewable fuels. In April 2019, the federal carbon pricing backstop was imposed on those provinces not meeting the minimum threshold. Five provinces are currently challenging the federal carbon pricing framework in court. Along with ethanol and biodiesel, **wood pellets are included in this report.**

#### [China: Biofuels Annual](#)

China's race to improve air quality is emerging as the major driver for expanded fuel ethanol production and use. Despite public announcements from more than a dozen Chinese central government ministries and Chinese Premier Li Keqiang, China's ethanol policy in 2019 remains a patchwork of provincial and municipal-level policies. Meanwhile, China's central and provincial authorities have not renewed subsidies for ethanol production. Without clear incentives and enforceable compliance measures, China's ethanol industry will struggle to raise the level of biofuels use in transportation fuels to meet China's E10 goal by 2020. As a result of restrictive ethanol investment and trade policies, Post estimates a 2.5 percent blend rate in 2019, a near recovery to blend rates achieved 10 years ago. China will most likely achieve a blend rate of 3.0 to 3.5 percent by 2020. Biodiesel remains neglected except for a limited program in Shanghai.

#### [Colombia: Biofuels Annual](#)

In January 2019, Colombia's Ministry of Commerce, Industry and Tourism initiated a countervailing

duty (CVD) investigation on U.S. ethanol at the behest of the National Biofuels Producers Association. The preliminary decision of the CVD case imposed a preliminary 4-month ad valorem duty of 9.36 percent on U.S. ethanol imports, beginning May 9, 2019. Ethanol production is expected to reach 490 million liters in 2019, 4 percent higher than 2018, as a result of normal weather conditions, a higher blend mandate (E10) coupled with larger fuel pool, and more protection from U.S. ethanol imports. Imports from U.S. remain higher than past years but are expected to slow given the temporary duty, possible price regulation on imports, and the likelihood that U.S. ethanol prices will remain higher in the near future due to higher U.S. corn prices resulting from rain delayed planting. Fuel ethanol imports are estimated to reach 220 million liters in 2019.

#### [EU-28: Biofuels Annual](#)

The EU set a 10 percent target for renewable energy use in transport for 2020, and raised the target to 14 percent in 2030, with advanced biofuels counting double to the target. Taking double-counting into account, biofuels accounted for 7.1 percent of energy use in transport in 2018 and are forecast to increase to 7.3 percent in 2019, mainly supported by elevated imports. Further increase for 2019 is hampered by lagging domestic production of biodiesel in particular. The EU agreed to a 7 percent cap for food-based biofuels, which is forecast at 4.6 percent in 2019. For advanced, non-food based biofuels, the EU set a climbing target of 0.2 percent in 2022 reaching 3.5 percent in 2030. Use of such advanced biofuels, made mostly from agricultural, forestry and municipal waste, is estimated at currently 0.2 percent and forecast to rise mainly based on tall oil. The EU set a limit of 1.7 percent by 2030 for advanced biofuels produced with waste fats and oils. The blending of these biofuels is estimated at currently 1 percent. ***The EU market for wood pellets is expected to continue its growth path during 2019, but further expansion could be limited by individual Member State sustainability requirements.***

#### [India: Biofuels Annual](#)

India's average blending rate for ethanol in gasoline is expected to reach a record 5.8 percent, up from a previous record 4.1 percent last year and considerably higher than historical levels. A surplus sugar season coupled with a stronger incentive to convert excess sugar to ethanol helps oil-marketing companies (OMCs) procure upwards of 2.4 billion liters this year. An upsurge in demand for the ethanol blending program (EBP) and consequent tight supply for industrial and potable use will encourage ethanol imports (mostly denatured) to grow 19 percent year-over-year to a record 750 million liters. The biodiesel market remains nearly nonexistent due to limited access to feedstock limited production capacity, a rudimentary supply chain, and import restrictions.

#### [Indonesia: Biofuels Annual](#)

Indonesia's palm-based biodiesel industry enjoyed a large expansion in 2018 with the beginning of nationwide expansion of B20 to the non-public (Non-PSO) transport sector and a sharp jump in overseas demand. Domestic consumption is set for another large year-over-year increase in 2019 largely due to further expansion of B20 to the Non-PSO transport sector. Exports are forecast to remain elevated near 1.8 billion liters based on continued demand from the EU and China. Indonesia's fuel ethanol consumption remains virtually zero since 2010 due to lack of financial support and a mandate that has not been enforced.

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