Biofuel policies and market issues

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Agenda

• Petroleum market overview
• Policy assumptions
• Ethanol
• Biodiesel
Retail motor fuel prices rising over time

Sources: FAPRI-MU 2017 Baseline Outlook; EIA March 2017 STEO
Transportation fuel growth is limited

Sources: FAPRI-MU 2017 Baseline Outlook; EIA March 2017 STEO
Applied RFS volumes grow slowly

Calendar year

Conventional gap
- Advanced gap
- Biomass-based diesel
- Cellulosic

Billion gallons

Page 8 of the U.S. Baseline Briefing Book
Ethanol net returns recover slowly...

- **Ethanol revenue**
- **Corn cost**
- **Net returns, dry-mill**
...leading to rising ethanol production
Ethanol exports continue upward trend

Calendar year:
- 2010
- 2012
- 2014
- 2016
- 2018
- 2020
- 2022
- 2024
- 2026

Billion gallons:
- 0.0
- 0.5
- 1.0
- 1.5
- 2.0
- 2.5
- 3.0

Graph showing:
- Green line: Imports
- Blue line: Exports
US ethanol exports by country

Source: F.O. Lichts
Biodiesel production increases steadily

Calendar year

Billion gallons

Soybean oil
Corn oil
Other fats and oils
Renewable diesel
Cellulosic diesel
Domestic use


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Thanks!

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