USDA Support for Global Ethanol Market Development

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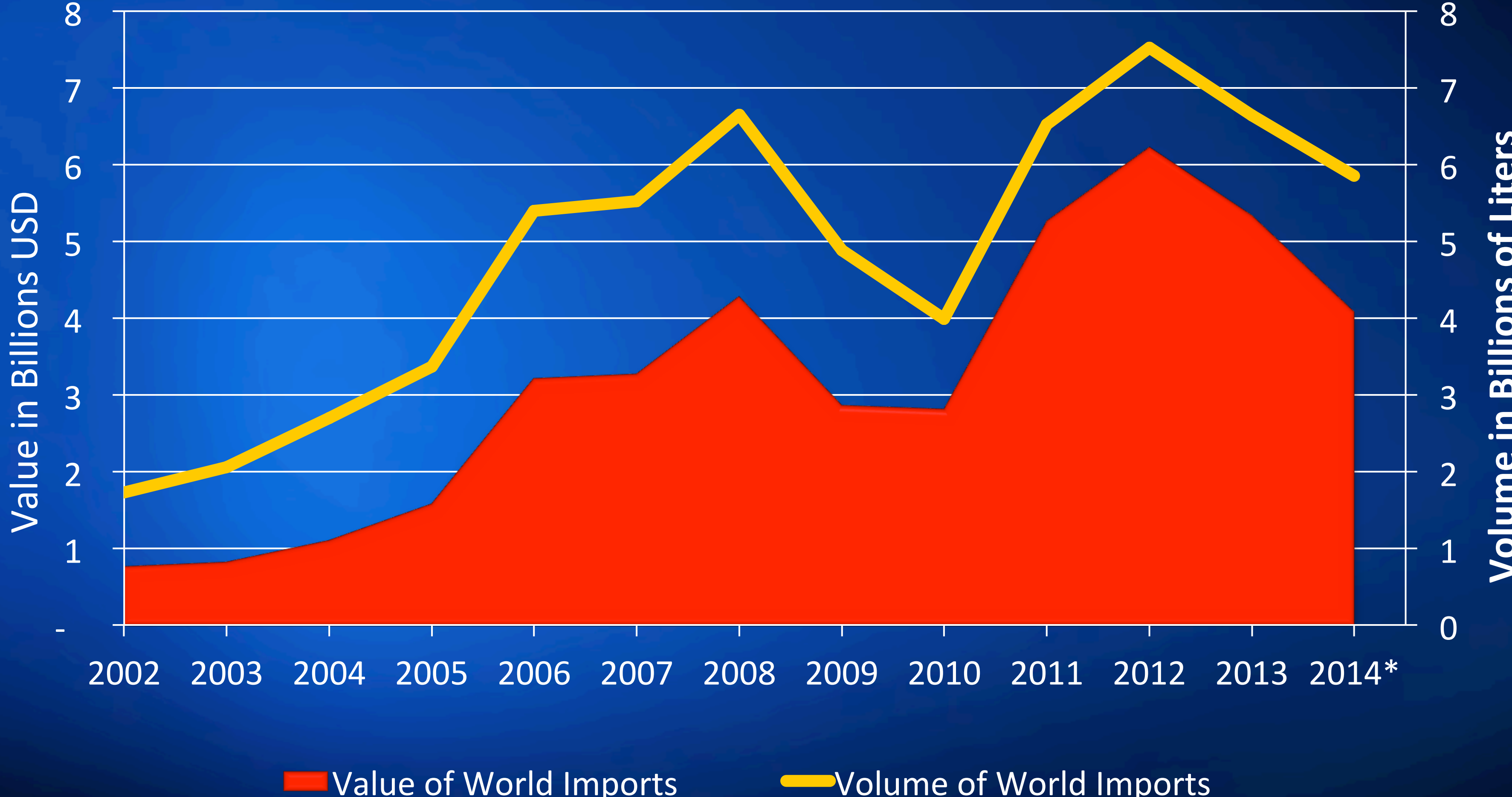
Global Trade in Ethanol Trending Higher

While trending higher, global trade is down from the 2012 peak due to lower import demand in the U.S. and the EU



*Estimated 2014
Data Source: USDA, Foreign Agricultural Service, GATS/UN Trade System and Global Trade Atlas

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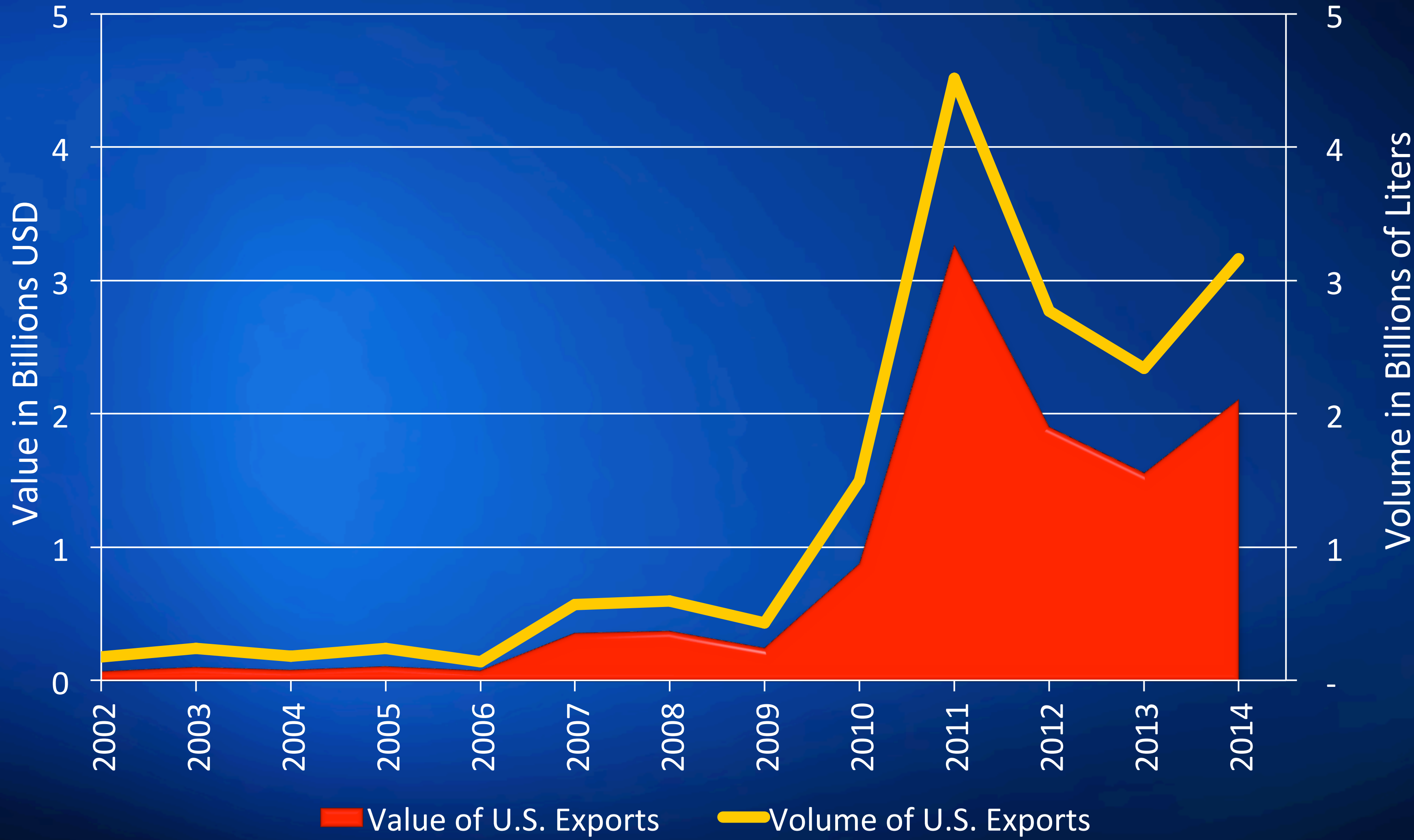
U.S. Exports Have Grown Rapidly Since 2009



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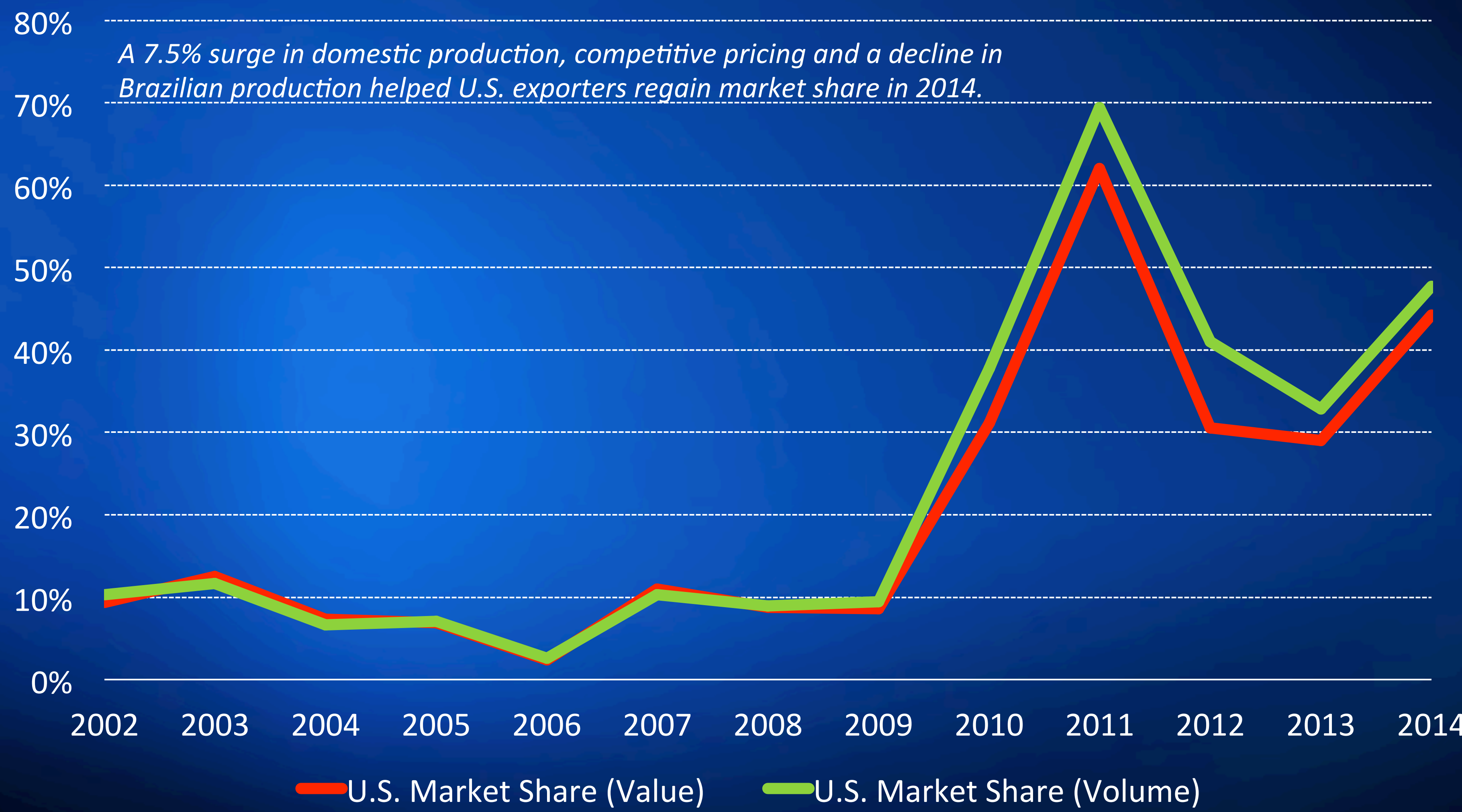
Data Source: USDA, Foreign Agricultural Service, Global Agricultural Trade System

U.S. Share of World Ethanol Exports Expands

U.S. overtook Brazil as the world's leading ethanol exporter in 2011 and 2014



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Data Source: USDA, Foreign Agricultural Service, Global Agricultural Trade System , UN Data

Top U.S. Ethanol Export Markets

Most of the major markets in 2014 barely existed in 2006

Data Source: USDA, Foreign Agricultural Service, Global Agricultural Trade System

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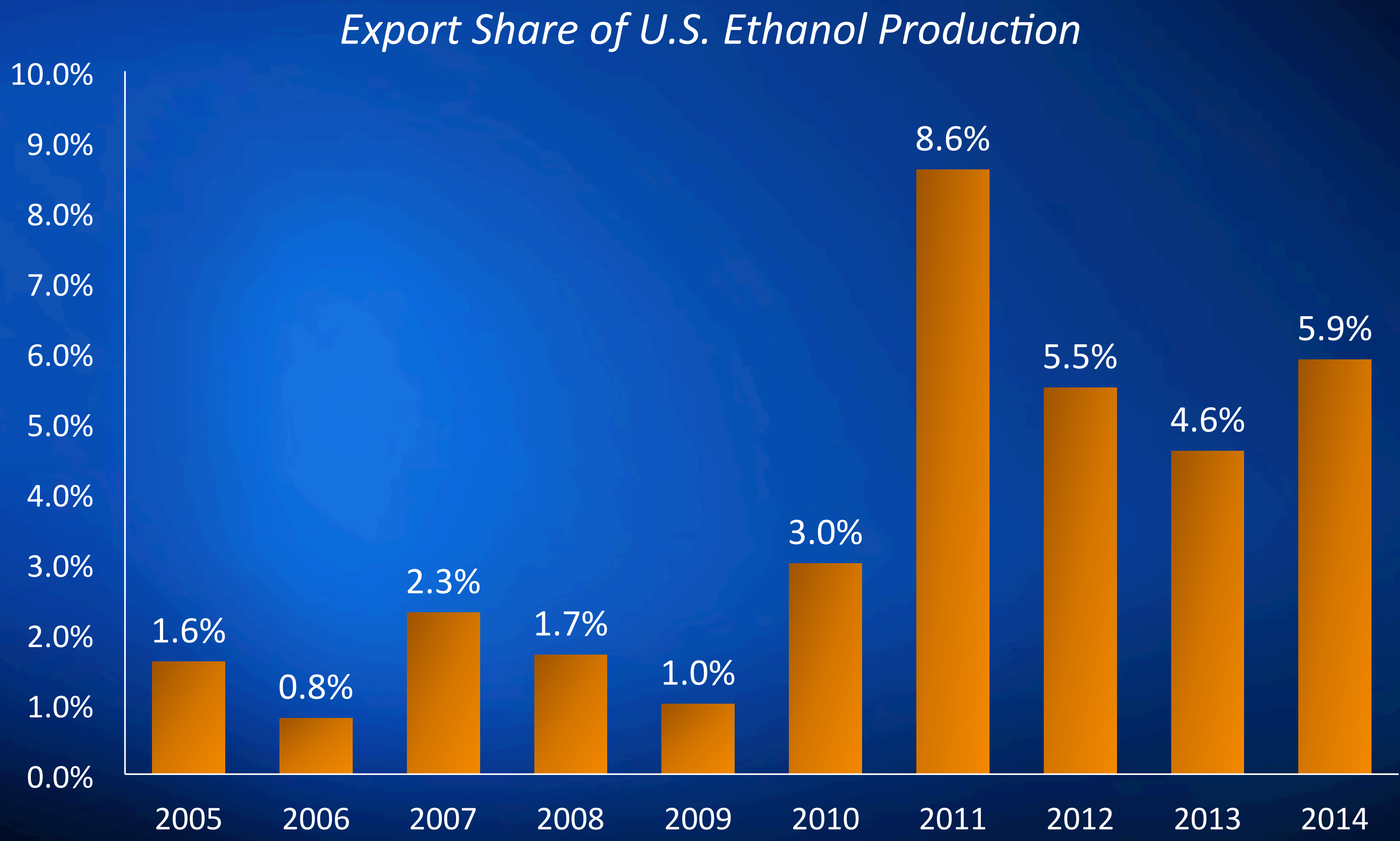
Exports as a share of production expand



Source: Renewable Fuels Association

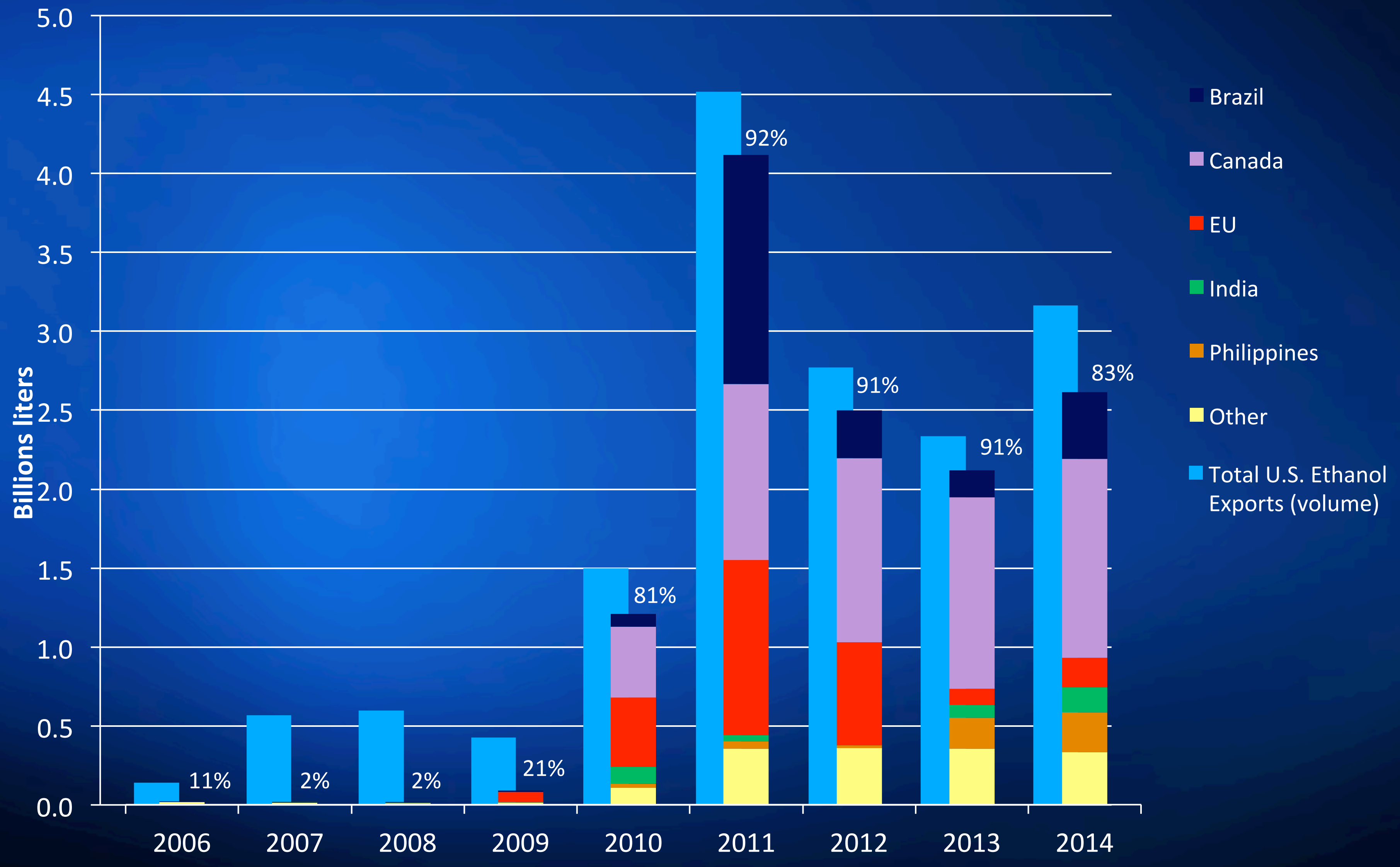
Ethanol market development

- Industry partnerships form the basis of USDA export market development initiatives
- To date, US Grains Council has conducted 4 market assessment missions to 7 markets
- Buyer missions planned for Peru, Columbia, and the Philippines
- Market study planned for Japan
- No two market strategies alike

FAS support for ethanol market development

- Market Access Program (MAP) funds
- Analytical and policy support
- Collaboration with DOE, DOC, USTR, DOD
- Post GAIN reports
- In-country stakeholder development

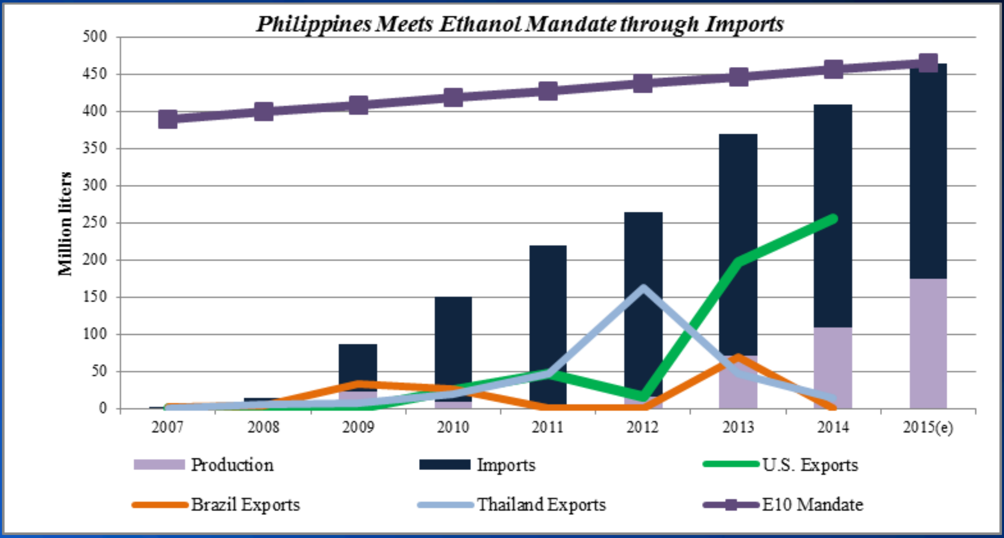
Blend mandates drive demand



Case Study: The Philippines

Policy Framework

- E5 legislation took effect in 2009
- E10 mandate in 2013
- E20 by 2020 (?)



Current Market Situation

- Compliance with E10 has fallen short of targets but expected to be met this year
- 3 more plants came on line in 2014 bringing total prod capacity to 222 mil liters; additional plants set to come on line in 2015 bringing total capacity to 305 mil liters
- 90% of gasoline consumed is E10
- Imports make up the gap between production and consumption
- U.S. has over 50% market share
- 15 more plants would need to come on line to meet the E20 mandate

Current Challenges

- Feedstock availability/pricing
- Logistics and infrastructure

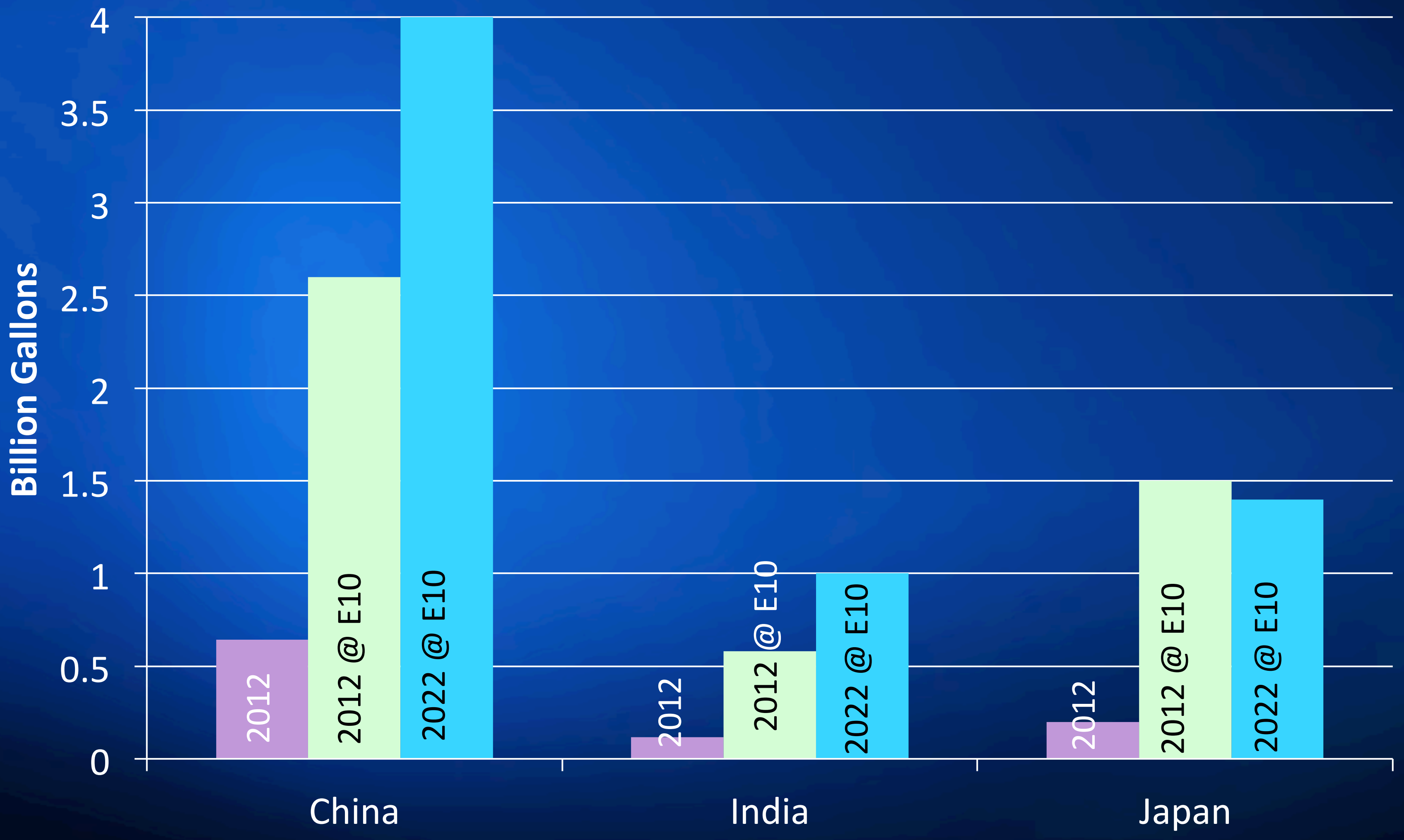
Market Development Opportunities

- Ethanol market assessment mission in Dec 2014
- Additional missions planned
- APEC initiative

FAS receives $120,000 in APEC funds to conduct ethanol workshops

- APEC has an aspiration goal of doubling the percentage of renewables in the APEC energy mix by the year 2030
- Build policy support/awareness of ethanol as a renewable energy source in transport fuel
- Conduct a series of workshops geared toward information sharing, adoption of best practices and enabling policy environments

Potential New Ethanol Demand



Sustainability and food vs. fuel still major concerns

- Global BioEnergy Partnership (GBEP)
- Fuel and Food

Thank you!