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# Understanding U.S. Corn Ethanol and Other Corn-Based Biofuels Subsidies

Since the creation of the domestic market for corn ethanol after the energy crisis of the 1970s, the federal government has nurtured and sustained the U.S. ethanol industry with a steady stream of subsidies. Originally promoted as a path to energy independence and lower greenhouse gas (GHG) emissions, ethanol quickly became a staple of Corn Belt politics. Over time, producers have benefited from preferential tax treatment, tariff protection, federal blending mandates, infrastructure subsidies, and a range of other supports. Taxpayers have spent tens of billions of dollars over the past 50 years propping up what is now a mature biofuels industry. Those subsidies, however, have failed to deliver on their original promises. They have neither meaningfully impacted energy independence nor served as a bridge to next-generation, non-food-based biofuels. Instead, they have distorted energy and agricultural markets and contributed to higher food and feed costs, negative impacts on land and water resources, and wasted federal dollars.

Recent legislative changes, including new tax credits and carve-outs enacted in 2025, have revived and extended federal support for corn-based biofuels. This report explains the changes and shows how a mature industry continues to benefit from overlapping federal support.

Currently, corn ethanol benefits from:

- The federal **Renewable Fuel Standard (RFS)** mandate, administered by the Environmental Protection Agency (EPA), which requires a certain volume of biofuels to be blended with U.S. gasoline and diesel each year. Approximately 14 billion gallons of ethanol are now blended with gasoline annually under the RFS.
- The **45Z Clean Fuel Production Credit**, administered by the Treasury Department, which offers a per-gallon production tax credit for “sustainable” fuel, including corn ethanol.
- The **Bioenergy Program for Advanced Biofuels (BPAB)**, trade programs such as the Market Access Program, and other commodity and crop insurance supports for corn and ethanol blender pumps, which dispense higher blends of corn ethanol.
- The **Rural Energy for America Program (REAP)**, which has subsidized corn ethanol facilities and ethanol blender pumps since 2011.
- More **blender pump subsidies**, all but one funded through the Commodity Credit Corporation (CCC), a fund typically reserved for farm loans and other major farm subsidy programs.

Taken together, these policies allow the federal government to pick winners and losers, distort both energy and agriculture markets, and encourage the expansion of corn production into areas unsuited for intense agricultural production, which increases taxpayer costs across multiple federal programs. The One Big Beautiful Bill Act (OBBBA) of 2025 continued this pattern by expanding corn ethanol tax breaks.

Rather than continuing to subsidize an industry that is doing more harm than good for consumers and taxpayers, policymakers should allow corn ethanol to stand on its own. To understand how federal policy has repeatedly failed to move in that direction, this report examines the full subsidy landscape supporting corn-based biofuels.

This report looks at corn ethanol subsidies as a system, not a single program. Federal support for corn-based biofuels is spread across the federal budget, each justified differently and overseen by different agencies. Viewed in isolation, any one policy can appear limited or temporary. Taken together, they form a durable subsidy stack that has benefitted a mature industry. The sections that follow walk through these policies in turn to show how they reinforce one another and why unwinding any single piece, on its own, has never been enough.

## Renewable Fuel Standard (RFS) Biofuels Mandate

While the corn ethanol industry benefits from various federal subsidies, the RFS mandate currently stands as one of the industry's most important. In recent years, two out of every three gallons in the RFS mandate have been made up of corn ethanol,<sup>1</sup> even though Congress intended for non-food-based biofuels to fill a larger share of the RFS by now.

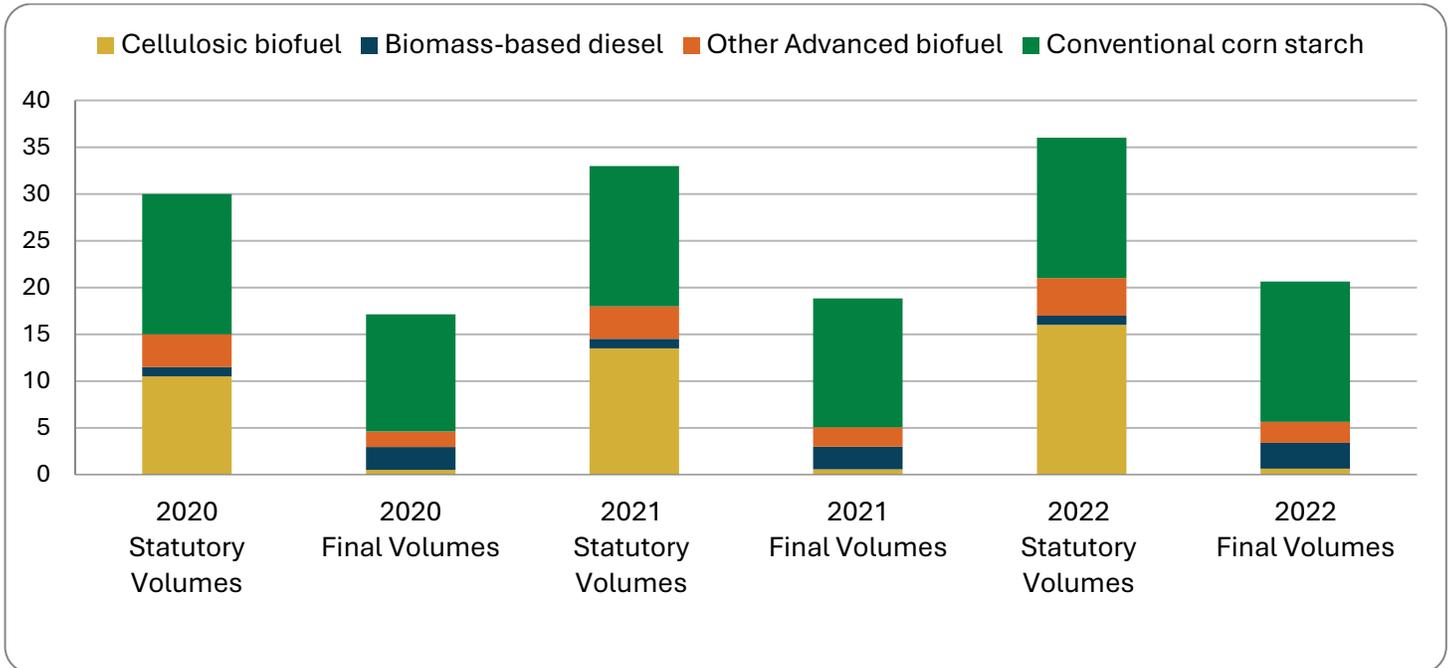
The RFS mandates that transportation fuel sold in the U.S. contain minimum volumes of ethanol, biodiesel, and other qualifying biofuels. Fuel suppliers—refiners and importers—can comply either by blending the required volumes or by purchasing tradable credits (called RINs) from other parties who exceed their blending targets. The RFS set a 9 billion gallon (BG) requirement for 2008, ramping up to 36 BG by 2022—15 BG of corn ethanol (conventional biofuels) and 21 BG of advanced biofuels (which includes cellulosic biofuels, biomass-based diesel such as diesel and renewable diesel, and other advanced biofuels such as sugarcane ethanol and corn butanol).<sup>2</sup>

Congress envisioned that, by 2022, a growing share of the mandate would be met with next-generation, nonfood-based fuels. These included cellulosic biofuels made from sources like perennial grasses, corn stover (stalks, cobs, and other non-food parts of the corn plant) and wood-based feedstocks. That vision never materialized. The industry has failed to produce cellulosic fuels at commercial scale. Production of advanced biofuels, particularly cellulosic biofuels, has fallen significantly below Congressional mandates set in 2007. In 2022, for instance, while Congress expected cellulosic biofuels to comprise 44 percent of the RFS mandate, they accounted for just 3.7 percent of actual consumption.<sup>3</sup> Over the last 15 years, cellulosic after cellulosic facility either closed or went bankrupt. Many failed projects received federal taxpayer subsidies, including Range Fuels<sup>4</sup> and Abengoa<sup>5</sup>. As a result of these failures, EPA has been forced to waive down the cellulosic, advanced biofuel, and the overall RFS mandate each of the past several years.

Corn-based biofuels other than corn ethanol have increasingly filled a greater share of the RFS since the mandate's inception. Even though Congress envisioned that cellulosic biofuels (next generation, "advanced" biofuels) would be derived from perennial grasses, agricultural residues, or wood chips—which have generally not come to fruition, despite years of federal subsidies—EPA allowed the conventional ethanol industry to make its way into the cellulosic biofuel pool by converting corn kernel fiber into ethanol to circumvent a Congressional prohibition on the

use of corn kernel starch for ethanol in the advanced biofuels mandate. Instead of using inedible stalks or cobs for ethanol feedstocks, this pathway utilizes portions of the corn kernel that would otherwise be used as animal feed, creating competition with other feed crops and distorting markets.

**Figure 1: RFS Congressional Mandates vs. Actual Volumes Finalized by EPA, in billions of gallons (BG)**



Note: Congress mandated at least 1 BG of biomass-based diesel consumption annually through 2022. Figure 1 includes this minimum 1 BG as RFS Congressional mandates each year.

This is just one example of corn-based biofuels finding their way into other buckets of the RFS mandate that were meant for non-food-based biofuels.

Other examples include:

- 1) Corn oil biodiesel: Biodiesel has increasingly been produced from corn oil, in addition to animal fats, vegetable oils such as palm and soy, and used cooking oil. Corn oil-based biodiesel qualifies as an “advanced biofuel” in the RFS.
- 2) Corn butanol: In 2016, EPA approved the biofuel company Gevo’s corn butanol produced at its Luverne, MN, facility as an “advanced biofuel” in the RFS.<sup>6</sup> Like corn ethanol, corn butanol also uses corn kernels as its feedstock that would otherwise be used for animal feed, food, or exports. But unlike corn ethanol—which is not compatible with some current gasoline pumps, storage tanks, and other infrastructure—corn butanol is known as a “drop-in” biofuel, so it does not face the same infrastructure challenges that the corn ethanol industry faces. Corn butanol also circumvents the restriction on corn starch ethanol qualifying for the advanced biofuels pool of the RFS since it is not ethanol but rather a different fuel—butanol.

Corn ethanol’s past dominance in the RFS, coupled with other biofuels derived from corn and soybeans, has resulted in a government mandate that to-date has primarily been filled with land-intensive, food-based biofuels.

Experts believe this is unlikely to change in the future, even if the corn ethanol mandate is eliminated, because soy-based biofuels are expected to play a larger role in future advanced biofuels mandates.<sup>7</sup>

The RFS has already created numerous unintended consequences and long-term liabilities such as higher food and feed prices and greater—instead of lower—GHG emissions. The maze of federal ethanol subsidies (and those for biomass-based diesel, among others) also works at cross purposes with other federal programs aimed at clean air and water, climate mitigation, and land conservation since policies promoting the use of more food-based biofuels inevitably result in greater competition between food and fuel crops on sensitive, carbon-rich land.

Unless Congress eliminates special interest corn ethanol subsidies, including mandates for biofuels that do more harm than good, they will continue to burden taxpayers, consumers, and the environment. As the RFS shows, even policies designed to be transitional have instead locked in long-term support for corn-based biofuels. That same pattern reappears outside the mandate, particularly in the federal tax code.

## Corn-Based Biofuel Supports in the Federal Tax Code

In 2004, Congress enacted the Volumetric Ethanol Excise Tax Credit (VEETC) at \$0.51/gallon, which replaced the previous gasoline excise tax exemption and tax credit.<sup>8</sup> By 2011, VEETC cost taxpayers \$6 billion annually.<sup>9</sup> While the Senate finally eliminated VEETC in 2011, subsidies for corn ethanol and other corn-based biofuels are still scattered throughout the tax code.

In 2022, the Section 45Z Clean Fuel Production Credit (CFPC) was created to replace several existing, or “legacy” tax credits for production of various types of fuels.<sup>10</sup> These include 40, 40A, 40B, Section 6426, and Section 6427—tax credits for the production of biodiesel, renewable diesel, second-generation biofuel, sustainable aviation fuel, alternative fuels and fuels mixtures. 45Z is a sliding scale tax credit with a maximum value of \$1/gallon based on carbon intensity reductions of biofuel. The credit was significantly expanded in OBBBA.<sup>11</sup> While qualifying fuels must have an emissions rate that is not greater than 50 kilograms of carbon dioxide equivalent per million British thermal units (mmBTU), OBBBA watered down eligibility requirements, meaning corn ethanol and soy biodiesel will likely qualify for tax breaks even though prior tax credits expired for these fuels in 2011 and 2024, respectively. 45Z, with the expansion enacted in 2025, is expected to cost taxpayers \$53.1 billion over the next decade.<sup>12</sup>

Tax credits like 45Z, can shape markets. The corn aviation biofuel—also known as ethanol-to-jet (ETJ)—industry, for example, is currently small, driven by high production costs.<sup>13</sup> But, as watered down emissions requirements allow more corn-based biofuels to qualify for tax credits, 45Z could lead to more investments and, eventually, more production<sup>14</sup>—driving 45Z claims and associated taxpayer and consumer costs.

Other parts of the tax code allow corn ethanol producers a more favorable treatment of their income. Master Limited Partnerships (MLPs) are “exchange-traded investments that are focused on exploration, development, mining, processing, or transportation of minerals or natural resources.... [and] have certain characteristics that can make them attractive to some investors, including partnership tax consequences, limited liability to investors for the MLP’s debts, and anticipated consistent distributions of cash.”<sup>15</sup> Of the 100 entities benefiting from the MLPs’ special tax treatment, most are in the oil and gas industry,<sup>16</sup> but in 2008, the transportation and storage of ethanol, biodiesel, and other alternative fuels also became eligible.<sup>17</sup> The total projected cost for all MLPs is \$4.4 billion over the next 5 years, FY2025-2029.<sup>18</sup>

It is also important to note that while some tax credits expired at the end of 2020, they have been routinely extended by Congress in the past, sometimes retroactively. The 40A \$1-per-gallon biodiesel tax credit, for example, received a five-year extension—two years retroactively for 2018 and 2019 and three years prospectively for 2020, 2021, and 2022.<sup>19</sup> Together with the RFS, these tax provisions demonstrate how corn ethanol subsidies persist even as individual credits expire or are renamed. U.S. Department of Agriculture (USDA) programs provide a third pathway for the same outcome, extending support through agricultural and rural development policy.

## Corn Ethanol Supports in Agriculture Programs

The farm bill, a massive piece of legislation covering topics ranging from nutrition assistance to broadband internet, provides government subsidies for the now-mature ethanol industry, including corporate agribusiness giants such as Archer Daniels Midland. The majority of farm bill support for corn ethanol has come from energy title programs such as the Bioenergy Program for Advanced Biofuels (BPAB), trade programs such as the Market Access Program (MAP), and other commodity and crop insurance supports for corn and ethanol blender pumps, which dispense higher blends of corn ethanol.

Realizing that the corn ethanol industry had already received its fair share of federal handouts, Congress prohibited corn starch ethanol from qualifying for new energy title spending in the 2008 farm bill,<sup>20</sup> which was reauthorized in both the 2014 and 2018 farm bills. The intent was to allow the next generation of biofuels to receive a greater share of grants, loan guarantees, and other subsidies. But despite this, at least four farm bill programs have subsidized corn-based biofuels over the past decade—and some, such as REAP, continue to do so. Other USDA programs indirectly subsidize corn ethanol.

As an example of the persistence of subsidies flowing to the industry, in 2011, the ethanol lobby convinced USDA to add blender pumps to its list of projects eligible for funding through REAP, a grant and loan program intended to support rural renewable energy projects.<sup>21</sup> Because ethanol is more corrosive than gasoline, older gasoline pumps and storage tanks must be replaced to prevent leaks, often at taxpayer expense. Before Congress put the brakes on using REAP subsidies for ethanol blended pumps in 2014,<sup>22</sup> \$5.17 million was awarded for 91 blender pump projects, all benefiting the mature corn ethanol industry.<sup>23</sup> Nevertheless, in May 2015, USDA again announced new funding for blender pumps through a different USDA spending account—the Commodity Credit Corporation (CCC)—again, without Congressional approval.<sup>24</sup> And in 2020, USDA announced another \$100 million of CCC funding for the Higher Blends Infrastructure Investment Program (HBIIP).<sup>25</sup> Another \$100 million was later allocated to HBIIP,<sup>26</sup> in addition to \$500 million for similar projects authorized in the Inflation Reduction Act (IRA) of 2022.<sup>27</sup> In total, more than \$800 million in taxpayer subsidies have been spent (or will be spent) on biofuel infrastructure projects at USDA, not to mention past tax breaks as well.<sup>28</sup>

Corn ethanol subsidy recipients continue to circumvent other energy title program eligibility rules by presumably refining biofuels from corn oil and milo (sorghum) instead of (or in addition to) corn starch, producing fuels like butanol and biodiesel instead of ethanol, and receiving energy efficiency upgrade subsidies to retrofit corn ethanol facilities in REAP. These loopholes simply waste taxpayer dollars and do nothing to decrease consumer costs or increase long-term economic growth.

Farm bill and other USDA programs supporting corn-based biofuels are listed in Table 1. Four programs have subsidized corn-based biofuels in the farm bill's energy title (one of these—the Repowering Assistance Program—

was finally eliminated in the 2018 farm bill), while other programs subsidize ethanol through the trade, crop insurance, and commodity titles of the farm bill and the CCC.

**Table 1: Corn-Based Biofuel Subsidies in USDA Programs, 2009-2025**

Farm Bill Title	Program Name	Program Description	Types of Projects Funded	Taxpayer Spending
Energy Title	Bioenergy Program for Advanced Biofuels (Advanced Biofuel Payment)	Annual payments for production of biofuels, intended to be for advanced biofuels but has also subsidized mature bioenergy	1 corn oil biodiesel facility and several corn ethanol facilities, presumably because some also use milo (in addition to corn) as a feedstock in the refining process.	\$60 million (grants and loans). Mandatory funding of \$7 million for each year FY19-FY24.
	Section 9003 Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program	Loan guarantee program for biorefineries through the Commodity Credit Corporation (CCC)	For example, SoyMor, a facility using corn and soybean oil for biodiesel production, received a \$25 million conditional loan guarantee in 2009.	\$762 million in overall final loan guarantees with a \$200 million subsidy cost from 2009 to 2021. <sup>29</sup>
	Repowering Assistance Program (program eliminated in 2018 farm bill)	Reimbursements for biorefineries to replace fossil fuel power sources with biomass (like wood chips, municipal solid waste, or perennial grasses)	Two corn ethanol facilities received taxpayer funding to replace natural gas and fossil energy with a biomass boiler and a biogas digester.	\$6.9 million spent on corn ethanol facilities (reimbursement payments)
	Rural Energy for America Program	Grant and loan program intended to support rural renewable energy projects but has also subsidized biomass	14 corn ethanol facilities received grants/loans to install “energy efficiency” upgrades and retrofit	At least \$30.5 million spent on corn ethanol facilities and ethanol blender pumps.

			equipment, in addition to 2011-2014 subsidies for new ethanol blender pumps and other special fueling infrastructure.	Overall, the program receives \$50 million in mandatory funding annually and was appropriated \$2 billion in the Inflation Reduction Act.
Trade Title	Market Access Program	Market trade promotion program designed to expand agricultural exports, including corn ethanol	For example, in FY2017, the U.S. Grains Council received \$6,670,888 for its overall trade missions. <sup>30</sup>	The amount spent on ethanol specifically is unknown.
Commodity Title	Commodity Credit Corporation  Biofuel Infrastructure Partnership (BIP)	CCC funds traditionally used for farm subsidies were redirected to biofuels infrastructure	New or retrofitted blender pumps for E15 or E85 pumps, new storage tanks, and related equipment	\$100 million (2015)
	Commodity Credit Corporation  Higher Blends Infrastructure Incentive Program (HBIIIP)	CCC funds again used to subsidize infrastructure for higher biofuel blends	New or retrofitted infrastructure (fuel pumps, storage tanks, and related equipment) for ethanol blends >10% or biodiesel blends > 5%.	\$200 million (2020 and 2022).  The Inflation Reduction Act also appropriated \$500 million (FY2022-2031) for grants “to increase the sale and use of agricultural commodity-based fuels through infrastructure improvements...” <sup>31</sup>
	Commodity subsidies	Farm programs that pay farmers for dips in crop prices or	Subsidies for biofuels feedstock crops	Estimated cost of corn subsidies according to the

	(Agriculture Risk Coverage, Price Loss Coverage, etc.)	revenue (price x yield) over a certain time period	used in ethanol production — primarily corn.	Congressional Budget Office’s February 2026 estimate is \$39 billion from FY27-36, <sup>32</sup> but this does not include other crop insurance or disaster subsidies, trade war subsidies, nor Coronavirus Food Assistance Program payments (more than \$6.9 billion just for corn). <sup>33</sup>
Crop Insurance Title	Federal Crop Insurance Program Premium Subsidies  (just one portion of taxpayer costs in the overall program)	Crop insurance premium subsidies for yield losses (due to natural disasters) or revenue losses (for dips in annual revenue as little as 15%)	Subsidies for biofuels feedstock crops used in ethanol production— primarily corn.	\$4 billion for corn crop insurance premium subsidies in the 2025 crop year alone. <sup>34</sup> Approximately 30 percent of the U.S. corn crop is sent to ethanol facilities each year. <sup>35</sup>

### Corn-Based Biofuel Subsidies in the Rural Energy for America Program

Aside from the \$5 million in blender pump subsidies funded through REAP from 2011-2014, the USDA program spent another \$30.5 million on corn ethanol facilities even though the farm bill energy title is meant to spur development of other renewable energy sources—particularly rural wind, solar, hydropower, and other projects. However, subsidies continue to flow to the mature bioenergy industry in the name of energy efficiency projects.

**Table 2: REAP Subsidies for Corn Ethanol Facilities, Nov. 2010 to Oct. 2024**

State	Recipient	Project Description	Total Amount of Grants & Loans, 2010-2024
ND	Red Trail Energy LLC	Constructing a carbon capture processing & storage facility onto an existing ethanol plant.	\$25,000,000
NE	Siouxland Ethanol LLC	To purchase and install the equipment for the retrofitting of an ethanol facility.	\$500,000

NE	Nebraska Mid America AgriProducts/ Wheatland LLC	Ethanol production	\$500,000
WI	Badger State Ethanol LLC	To purchase and install the equipment for the retrofitting of an ethanol facility.	\$492,327
IA	Golden Grain Energy		\$250,000
MN	Chippewa Valley Ethanol Cooperative LLP	To make energy efficiency improvements with the evaporator of an ethanol refinery.	\$250,000
IA	Lincolnway Energy LLC	Creating Biofuel from Ethanol Production	\$250,000
MN	Heartland Corn Products	Creating Biofuel from Ethanol Production	\$250,000
ND	Hankinson Renewable Energy, LLC	Creating Biofuel from Ethanol Production	\$250,000
NE	E Energy Adams, LLC	Creating Biofuel from Ethanol Production	\$250,000
IA	Little Sioux Corn Processors LLC	To make energy efficiency improvements with the retrofitting of an ethanol refinery.	\$165,000
IA	Siouxland Energy Cooperative	To make energy efficiency improvements with the retrofitting of an ethanol refinery.	\$165,000
IL	Lincolnland Agri-Energy LLC	To purchase and install a fermenter for ethanol production.	\$77,984
MN	DENCO II, LLC	Ethanol production	\$50,000
NJ	East Coast Energy	Ethanol biorefinery with 5 MW CHP using natural gas.	\$47,500
IL	One Earth Energy LLC	Dry-mill ethanol plant	\$1,000,000
KS	Western Plains Energy LLC	To improve an ethanol recovery system	\$1,000,000
			<b>\$30,497,811</b>

### Corn-Based Biofuel Subsidies in the Bioenergy Program for Advanced Biofuels

Similar to REAP, BPAB—another farm bill energy title program—has also subsidized the mature corn ethanol industry despite the program’s title, which implies support for advanced biofuels, and again, not to mention the energy title’s prohibition on subsidies for corn starch ethanol. Corn ethanol is not classified as an advanced biofuel in the farm bill or any energy bills (meaning the RFS mandate too). Corn ethanol facilities presumably apply for BPAB payments if they also produce ethanol from milo (known as sorghum) in addition to corn.

Table 3 lists the corn-based biofuels facilities that received more than \$60 million combined in BPAB subsidy payments over the past decade. Not only do these payments defy Congressional intent and fail to achieve their objectives, but they also waste tens of millions of taxpayer dollars.

**Table 3: Corn-Based Biofuels Facilities Receiving Advanced Biofuels Payments, 2009-2025**

Facility Name	State	Feedstock	Total Payments
White Energy, Inc.	TX	corn/milo	\$10,623,924
Arkalon Ethanol, LLC	KS	corn/milo	\$10,015,914
Western Plains Energy LLC	KS	corn/milo	\$8,331,119
Kansas Ethanol, LLC	KS	corn/milo	\$5,949,346
Pinal Energy, LLC	AZ	corn	\$4,652,688
Prairie Horizon Agri-Energy, LLC	KS	corn/milo	\$4,446,288
Levelland/Hockley County Ethanol, LLC (renamed Diamond Ethanol)	TX	corn/milo	\$3,393,856
Bonanza Bioenergy, LLC	KS	corn/milo	\$3,131,689
Abengoa Bioenergy Corporation	MO	corn/milo	\$3,108,385
Chief Ethanol Fuel Inc	NE	corn/milo	\$2,308,795
Reeve Agri Energy Inc	KS	corn/milo	\$1,728,593
Nesika Energy, LLC	KS	corn	\$776,062
Central Indiana Ethanol, LLC	IN	corn	\$506,369
Corn Plus LP	MN	corn	\$311,081
Walsh Bio Fuels, LLC	WI	corn	\$271,431
Trenton Agri Products LLC	KS	corn/milo	\$234,855
Pacific Ethanol Holding Co., LLC	CA	corn	\$165,043
Nugen Energy, LLC	SD	corn	\$99,765
East Kansas Agri-Energy LLC	KS	corn	\$58,834
Pratt Energy LLC	KS	corn/milo	\$34,280
Aventine Renewable Energy	IL	corn	\$18,175

Cornhusker Energy Lexington, LLC	NE	corn	\$15,795
Chippewa Valley Ethanol Coop LLP	MN	corn	\$14,597
Best Biodiesel Cashton, LLC*	WI	corn/soy	\$10,487
Kaapa Ethanol, LLC	NE	corn	\$8,693
Maple River Energy, LLC*	IA	corn/soy	\$7,845
Quad County Corn Processors Co-Op	IA	corn	\$2,011
			<b>\$60,225,920</b>

\*Facility produces biodiesel

## Conclusion

It is time for the mature corn ethanol industry to stand on its own without continued special-interest support and preferential treatment from taxpayers. After nearly five decades of federal backing, subsidies scattered throughout the federal budget—including the Renewable Fuel Standard, the tax code, the farm bill, and USDA programs—no longer serve their original purposes. Corn ethanol has failed to deliver meaningful gains in energy security or GHG reductions, while imposing real costs on consumers, taxpayers, and the environment.

What the record makes clear is not just the scale of these subsidies, but how they endure. Federal support for corn-based biofuels persists because it is fragmented across policy silos, repeatedly repackaged under new labels, and justified differently depending on the venue. When one subsidy expires or faces scrutiny, another emerges elsewhere—through a mandate, a tax credit, an infrastructure grant, or an agricultural program—allowing the overall system of support to continue largely intact.

This layering of policies has insulated a mature industry from normal market discipline and made meaningful reform harder to achieve. Ending wasteful corn-based biofuel subsidies will require more than trimming individual programs. It will require policymakers to confront the full subsidy stack, resist efforts to rebrand old supports as new solutions, and stop using unrelated policy vehicles to extend federal backing yet again.

Eliminating these subsidies and mandates would reduce market distortions, protect taxpayers, and allow for energy and agricultural policies that foster innovation and economic resilience rather than perpetual taxpayer subsidization for an industry whose promises have proven illusory.

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## Endnotes

- <sup>1</sup> In 2022, final RFS volume was 20.88BG with a 15BG cap on conventional biofuels (72%). In 2023, final RFS volume was 21.19BG with a 15BG cap on conventional biofuels (71%). In 2024, final RFS volume was 21.54BG with a 15BG cap on conventional biofuels (70%). In 2025, final RFS volume was 22.33BG with a 15BG cap on conventional biofuels (67%).
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- <sup>25</sup> USDA, “Notice of Funds Availability for the Higher Blends Infrastructure Incentive Program (HBIIP) for Fiscal Year 2020,” May 2020. <https://www.federalregister.gov/documents/2020/05/05/2020-09685/notice-of-funds-availability-for-the-higher-blends-infrastructure-incentive-program-hbiip-for-fiscal>
- <sup>26</sup> USDA, “Notice of Funding Opportunity for the Higher Blends Infrastructure Incentive Program (HBIIP) for Fiscal Year 2022,” August 2022. <https://www.federalregister.gov/documents/2022/08/23/2022-18123/notice-of-funding-opportunity-for-the-higher-blends-infrastructure-incentive-program-hbiip-for>
- <sup>27</sup> Sec. 22003. Biofuel Infrastructure and Agriculture Product Market Expansion
- <sup>28</sup> TCS, “Biofuel Infrastructure Subsidies,” August 2022. <https://www.taxpayer.net/agriculture/biofuel-infrastructure-subsidies/>
- <sup>29</sup> Calculated by TCS using loan information available on USASpending.com for CFDA Program Listing 10.865
- <sup>30</sup> USDA, “MAP Funding Allocations – FY 2017,” <https://www.fas.usda.gov/programs/market-access-program-map/map-funding-allocations-fy-2017>
- <sup>31</sup> P.L. 117-169
- <sup>32</sup> CBO’s February 2026 Baseline, Corn Program Outlays, Direct Cash Payments (PLC, ARC, Other) FY2027-2036. Source: Congressional Budget Office (CBO), “USDA Farm Programs Baseline February 2026,” February 2026. <https://www.cbo.gov/system/files/2026-01/51317-2026-02-usda.pdf>

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<sup>33</sup> USDA, "Coronavirus Food Assistance Program 1 Data," accessed February 2026. <https://www.farmers.gov/data/cfap1> ; USDA, "Coronavirus Food Assistance Program 2 Data," accessed February 2026. <https://www.farmers.gov/data/cfap2>

<sup>34</sup> USDA, "State/County/Crop Summary of Business," accessed February 2026. <https://www.rma.usda.gov/tools-reports/summary-of-business/state-county-crop-summary-business>

<sup>35</sup> Reflects the percentage of total U.S. supply of corn, including imports and existing stock, in 2024/25 used for domestic biofuels production. Corn-based ethanol production includes processing by-products such as distillers' grain, corn gluten feed/meal, and corn oil. Source: U.S. Department of Agriculture, "World Agricultural Supply and Demand Estimates," January 2026 <https://www.usda.gov/oce/commodity/wasde/wasde0126.pdf>