

Japan's new Biofuels Policy allows for increased exports of U.S. Ethanol

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Following extensive engagement by the Office of the United States Trade Representative, the U.S. Department of Agriculture, and U.S. Embassy Tokyo, Japan published a new biofuels policy on 31 March 2023 that will allow the United States to capture up to 100 percent of Japan's on-road ethanol market. The Biden Administration commends the government of Japan for taking another step to strengthen the bilateral trade relationship.

"The new biofuels policy Japan announced today is the result of close collaboration between our two countries and it will further allow U.S. producers to meet Japan's demand for more diverse energy sources," said Ambassador Katherine Tai. "Ambassador Emanuel and the staff across the U.S. government deserve huge credit for working through the technical details that led to this outcome, which is just the latest sign of a strengthened partnership between our two countries."

According to the new biofuels policy under the Sophisticated Methods of Energy Supply Structure Act, exports of U.S. ethanol could increase by over 80 million gallons annually, representing an additional \$150-200 million in exports each year. We will continue working with Japan to increase its on-road ethanol demand and further align its biofuels policies with that of the United States.

"We applaud Japan for publishing its new biofuels policy, which will help promote a cleaner, more sustainable energy future. This new policy is also a big win for American farmers and our rural economy, as it will expand U.S. biofuel producers' access to the Japanese market," said Agriculture Secretary Vilsack. "We look forward to continuing to engage with the Japanese government as it implements this standard and to furthering our nations' deep economic relationship."

“Earlier this week, the United States and Japan reached agreement on critical minerals. Now we reached agreement on ethanol. One week, two deals. Our two countries are making a better future” said United States Ambassador to Japan, Rahm Emanuel.