

# Economic Impacts to U.S. Biofuels, Agriculture, and the Economy: Agricultural Retailers Association Report



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The Agricultural Retailers Association (“ARA”) issued a report in October 2020 titled:

*Economic Impacts to U.S. Biofuels, Agriculture, and the Economy from Subsidized Electric Vehicle Penetration*

The *Report* discusses the potential impact of different levels of electric vehicle (“EV”) penetration on the biofuels industry.

The authors of the *Report* are Dr. Daniel G. De La Torre Ugarte and Ken Ditzel.

Combined United States production of ethanol and biodiesel is stated to have included 18.6 billion gallons in 2019. This is described as an increase of 5 billion gallons since 2010. Further, the United States Department of Agriculture is stated to estimate that ethanol production will consume 35.6 percent of United States corn produced in the 2019/2020 season and biodiesel production will consume 30.6 percent of soy.

The *Report* examines three scenarios for EV market penetration through 2050. It addresses the potential impacts on the United States:

- Biofuels consumption
- Agricultural sector
- Greater economy

The three scenarios addressed include:

1. Base Case: EV market penetration increases to 13 percent of light-duty vehicle sales by 2050, following the Annual Energy Outlook 2020 Reference Case projections;
2. ICE Ban by 2050: EV market share reaches 100 percent of light-duty and freight vehicle sales by 2050 due to a ban on internal combustion engines (“ICE”); and
3. ICE Ban by 2035: EV market share reaches 100 percent of light-duty vehicle sales by 2035 and 100 percent of freight vehicle sales by 2040 due to a ban on internal combustion engines.

The scenarios were stated to have been chosen to “present a full range of possible impacts across the biofuels value chain and support supply chains.”

The biofuels value chain is stated to include:

- Farm seed
- Fertilizer
- Other inputs required for crop production, maintenance, and harvesting, intermediate transportation, and biofuels manufacturing

The *Report* specifically addresses:

- EV Scenarios and U.S. Biofuels Consumption Changes
- Impacts to the Agriculture Industry by Scenario
- Changes to Crop Consumption by the Biofuels Sector
- Changes to the Agricultural Industry from Reduced Biofuels Consumption
- U.S. and State Economic Impacts by Scenario
- U.S. Total VMT and VMT by Vehicle Type through 2050 .
- POLYSYS Model Documentation and Calibration
- IMPLAN Model Documentation

A copy of the Report can be downloaded [here](#).