

Balancing the Benefits of Biofuels/Economics of U.S. Crop-Based Fuel Production: Transportation Energy Institute Report



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The Transportation Energy Institute (“TEI”) issued a July 25th report titled:

Balancing the Benefits of Biofuels: The Economics of U.S. Crop-Based Fuel Production (“Report”).

The Report describes itself as a “fact-based assessment of the impact of crop-based biofuels on food supply and prices.

TEI describes itself as a:

...non-advocacy research organization dedicated to studying transportation-energy.

A question considered by the Report is whether crops should be diverted to fuel production at the expense of food production.

The Report’s arguments/conclusions include:

- Biofuels will be critical to reducing the carbon intensity of liquid fuels, which is necessary to achieve emissions reduction goals from legacy and new vehicles equipped with internal combustion engines.
- The expansion of biofuels in the past has not resulted in an expansion of cultivated acres and has generated significant livestock feed.
- The Renewable Fuel Standard has reduced carbon emission by more than 1.2 billion metric tons and the impact of consumer expenditures has been about 1%.
- The cost of producing the feedstocks is not directly a cost of biofuels production, as the commodity price sets the cost of feedstock to the biofuels industry.
- The CI of corn ethanol related to direct and indirect land use change has been declining over time, as corn yields have increased without corresponding increases in fertilizer use and as the ethanol conversion process has become more efficient (significant potential to lower the biofuels emissions by adopting climate-smart practices for corn crop production that increase the efficiency of N fertilizer use, reduce use of fossil energy, and increase soil carbon sequestration).
- The impact of the production of corn ethanol on food prices and indirect land use change was more significant in the early years of the Renewable Fuel Standard than in the long run (citing data showing that 37.6% of the corn produced in the U.S. was to produce ethanol and ethanol made up 10.2% of all fuel used in gasoline vehicles in 2022).

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

