

---

As biofuel producers know very well, ethanol is a highly valued octane booster that [can depend on market demand, not mandated consumption](#), for its competitive edge. Government data and independent analyses underscore this fact, confirming that small refinery compliance exemptions under the Renewable Fuel Standard (RFS) have not impacted demand for ethanol or resulted in “demand destruction.” Here’s what industry and economic experts are saying on the issue:

- “...increased SREs [small refinery exemptions from RFS compliance] and lower ethanol RIN prices have not caused ethanol demand destruction. This is supported by a review of RIN pricing economics and an analysis of ethanol blend rates, which have continued to increase after SRE announcements.” – Charles River Associates, 9/15/18

- “...blend rate data still shows no demand destruction. Physical ethanol consumption is up this year.” – Frank Maisano, senior principal, Bracewell LLP, [9/7/18](#)

- 
- “Ethanol demand has suffered little due to EPA's recent approvals of small-refinery waivers to the Renewable Fuel Standard, a new analysis from a University of Illinois economics professor finds...The analysis may be a ray of light for farmers who are concerned about losing demand for their products due to a variety of trade issues and changes to the RFS, lower commodity prices and lower farm incomes.” – Todd Neeley, reporter, DTN-The Progressive Farmer, [9/14/18](#)

- “I found two experts who've examined [if the RFS is essential for ethanol blending] in great detail: Paul Niznik, an analyst at Stratas Advisors, an energy consulting business in Houston, and Scott Irwin, an economist who teaches at the University of Illinois. And here's their bottom line: If the law changed tomorrow and gasoline companies were free to ignore ethanol, they'd almost certainly keep right on blending ethanol into their fuel. Got that? The ethanol mandate requires gasoline companies to do something that, at the moment, they'd do anyway.” – Dan Charles, reporter, NPR, [2/10/16](#)

- 
- “...there is no evidence of domestic biofuel demand destruction from RFS waivers to small refiners. Biofuel demand is robust and increasing, likely as a result of what RFA recognizes in its own analysis: the low price of ethanol relative to gasoline. As numerous studies have indicated, ethanol blending will remain economic, even in the absence of a mandate.” – Joanne Shore, independent consultant, [9/11/18](#)

- “...trends indicate that the downturn in [ethanol industry] profitability cannot be traced to a downturn in usage ... The story behind the declining fortunes of the ethanol industry is straightforward. Domestic and export use for U.S. ethanol has increased nicely since 2014, but production capacity and actual production increased even faster. The surge in production basically overwhelmed the rise in use.” – Scott Irwin, Laurence J. Norton Chair of Agricultural Marketing at the University of Illinois at Urbana-Champaign, Farmdoc Daily, [3/14/2018](#)

- 
- “...analysis of data on ethanol and gasoline consumption in the U.S. shows there is little if any evidence that the blend rate for ethanol has been reduced by [small refinery exemptions].” – Scott Irwin, Laurence J. Norton Chair of Agricultural Marketing at the University of Illinois at Urbana-Champaign, Farmdoc Daily [9/13/18](#)

- “June 2018 Petroleum Supply data is in. Blend rate is 9.8 percent, just like June 2017 ... Still no correlation with RINs and biofuel blending.” – Fueling American Jobs Coalition, [8/31/18](#)

---

Print as PDF:

## Topics

[Fuel Policy](#)

[Biofuel & Ethanol](#)

## Tags

[Renewable Fuel Standard \(RFS\)](#)

[Demand Destruction](#)

---