



# BIODIESEL: IOWA'S ECONOMIC ENGINE

## Economic Indicators

**410M** Iowa's biodiesel production capacity in gallons.

**\$1.1B** The gross value of biodiesel and glycerin produced in Iowa.

**4,449** Full-time equivalent jobs in Iowa supported by biodiesel.

**\$254M** Household income in Iowa resulting from biodiesel.

**800+** More than 800 fueling stations (40%) in Iowa offer biodiesel blends (up from 205 in 2010).

**493.7M** Biodiesel gallons sold by Iowa retailers in 2020 – 60.7% of the state's diesel sales contained a biodiesel blend.



## Policy Incentives

**457** Iowa retailers selling B11 are eligible for a state income tax credit of \$0.05 per gallon. Retailers selling B20 are eligible for \$0.07 per gallon and those selling B30 are eligible for \$0.10 per gallon. In 2017, 457 Iowa retailers benefited from these tax credits. The credits expire in 2028.

**61.5%** B20 blends are taxed at a lower rate than the \$0.325 per gallon for diesel. The lower excise tax rate is based on the aggregate blend rate of biodiesel. About 61.5% of on-road diesel sold in Iowa contained blends up to B100, saving consumers \$9 million. This tax incentive expires June 30, 2030.

**B20 STATEWIDE** By executive order (EO5), all new state vehicles with diesel engines must have the manufacturer's written support to use B20 biodiesel blends. The Iowa Department of Transportation (DOT) fleet uses B20 most of the year in all diesel engines, including snow plows. The City of Ames has 12 snow plows that run on B100.

**900+** Iowa biodiesel plants enjoy a production incentive of \$0.04 per gallon for up to 25 million gallons each year (available quarterly until January 1, 2028). Additionally, Iowa's Renewable Fuel Infrastructure Grant Program offers cost-share grants of up to 70% or \$50,000 for a 5-year retail commitment to expand B20 infrastructure. To date, the program has awarded more than \$42.5 million to help fund over 900 projects, including 362 biodiesel dispensers and 143 terminals.

### ABOUT BIODIESEL AND RENEWABLE DIESEL

Sources: ABF Economics, Contribution of the Renewable Fuels Industry to the Economy of Iowa, 2021; Iowa Department of Revenue, 2020 Retailers Fuel Gallons Annual Report; Iowa Department of Revenue, Iowa's Biofuel Retailers' Tax Credits Program Evaluation Study, December 2019; Iowa Department of Agriculture, Renewable Fuels Infrastructure Program; Office of the Governor of Iowa, Executive Order 5, Dec. 2019.

Made from plant-based oils, used cooking oils, and animal fats

Clean-burning

Can be used in any diesel engine without modification

Commercially available nationwide

Today's solution for heavy-duty trucking, emergency vehicles, bus fleets, and farm equipment

## Economic Drivers



Most of the raw materials used in Iowa's biodiesel production are purchased in Iowa. More than half of Iowa's biodiesel plants are locally owned.

**\$1B** The Iowa biodiesel industry's spending on raw materials in 2020.

**2.3B Lbs.** Soybean oil made up 80% of total feedstock use in 2020, providing a market for oil from nearly 200 million bushels of Iowa soybeans.

**220M Lbs.** Distiller's corn oil – supplied largely by Iowa ethanol producers – was the second largest biodiesel feedstock in 2020.

## Iowa's LEADERSHIP

Iowa biodiesel production increased 2.7% to 351 million gallons in 2020 -- **20% of total US production.**

In 2020, biofuels replaced **14.5%** of transportation fuel.

In 2020, 5% of Iowa's fuel stations sold average blends of 25%+ biofuels.