**Biodiesel: Iowa’s Economic Engine**

**Economic Indicators**

- **410M**: Production capacity in gallons for Iowa’s 11 biodiesel facilities -- about 20% of U.S. capacity.
- **$2.3B**: The gross value of biodiesel and glycerin produced in Iowa in 2022.
- **7,278**: Full-time equivalent jobs in Iowa supported by biodiesel in 2022.
- **$506M**: Household income in Iowa resulting from biodiesel in 2022.
- **700+**: More than 700 fueling stations (40%) in Iowa offer biodiesel blends (up from 205 in 2010).
- **454.6M**: Biodiesel gallons sold by Iowa retailers in 2021 -- 59.6% of the state’s diesel sales contained a biodiesel blend.

**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.**
- **$1.9B**: The Iowa biodiesel industry’s spending on raw materials in 2021.
- **1.9B Lbs.**: Soybean oil made up 71% of total feedstock use in 2022, providing a market for oil from nearly 162 million bushels (28%) of Iowa soybeans.
- **11%**: Animal fats made up 11% of the total feedstock used in 2022. Canola and distiller’s corn oil each made up 7%. And used cooking oil made up 4%.

**Policy Incentives**

- **25.7%**: 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 2021, the share of Iowa retailers selling B20 blends rose 25.7%. The credits expire in 2028.
- **61.5%**: Currently, B11 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 B11 or higher blends, saving consumers $9 million. This tax incentive moves to B20 on July 1, 2024, and 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.

**Iowa’s Leadership**

- **Iowa biodiesel production increased to 349 million gallons in 2022 -- the third highest annual production reported.**
- **During 2021, the amounts of on-road biodiesel blends sold in Iowa were:**
  - **B1-B10 = 73.6 million gallons**
  - **B11-B19 = 257.8 million gallons**
  - **B20 or higher = 89.6 million gallons**
- **Biodiesel blends met 70 percent of total on-road diesel fuel sales.**

**Sources:** ABF Economics, Contribution of the Renewable Fuels Industry to the Economy of Iowa, 2023; Iowa Department of Revenue, 2021 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.

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