Nation's fourth largest ethanol producer says industry no longer needs tax credit, tariff to survive
By Joel Velasco

As the prospect for a renewal of the ethanol tariff and subsidies dims, industry leaders are starting to change their rhetoric. Todd Becker, CEO of Green Plains Renewable Energy – the nation's fourth largest ethanol producer – said Friday that his company and the industry as a whole would continue to prosper in the absence of the VEETC and the 54-cent per gallon tariff on imported ethanol, both of which expire at the end of the year.

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Citing a maturing domestic market with aggressive federal mandates, continued government support for higher blend limits and necessary infrastructure, as well as strong export demand, Becker said that corn ethanol is ready to compete in the market without tax credits and trade protection. His remarks echo those made recently by Exxon and Valero - another top producer and oil refiner - that eliminating the $6 billion per year ethanol subsidy would have zero impact on production. And remember, the sole purpose of the tariff that blocks sugarcane ethanol is to offset the tax credit.

If top producers and blenders – the largest beneficiaries of the existing policy – envision a thriving domestic industry without tariffs and tax credits, one has to ask why taxpayers should continue footing the bill. Spending $6 billion per year to effectively block more affordable and environmentally friendly alternatives is a bad deal for just about everyone. As The Daily News puts it in an editorial today – ending the ethanol tariff and subsidies is an easy call.

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