

Economic Impact of Statewide E15 Use in Minnesota

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Minnesota drivers consumed nearly 2.5 billion gallons of motor gasoline in 2019 with an ethanol content in terms of E10 of 240 million gallons. Minnesota's 17 operating ethanol plants produced more than 1.3 billion gallons in 2019. As shown in Table 1 implementing statewide E15 use would require an additional 120 million gallons of ethanol. The value of this output (ethanol, DDGS, distiller's corn oil) amounts to more than \$220 million. The farm gate value of the 43 million bushels of corn feedstock used to produce this ethanol was \$140 million in 2019.

The economic activity generated by this industry output would add more than \$313 million to state GDP, generate \$103 million of household income, and generate \$28 million of state and local tax revenue.

The direct effects in Table 1 represent the impacts of ethanol and co-product production. The largest economic impacts are the indirect effects that represent the business-to-business transactions required to produce the additional ethanol required to meet E15 use.

Table 1
Economic Impact of Implementing Statewide E15 Use in Minnesota

Gasoline Use (Mil gal)	2,497
E10 Use (Mil gal)	240
Estimated E15 Use (Mil gal)	360
Additional E15 Use (Mil gal)	120
Corn Use for E15 (Mil bu)	43
Corn Use for E15 (Mil \$)	\$140.2
Value of Output (Mil \$)	\$223.0
Ethanol	\$163.1
DDGS	\$50.9
Distiller's corn oil	\$9.0

ECONOMIC IMPACT	Total	Direct	Indirect	Induced
Output (Mil \$)	\$695.9	\$223.0	\$391.0	\$81.9
GDP (Mil \$)	\$313.1	\$100.3	\$176.0	\$36.8
Income (Mil \$)	\$102.6	\$8.0	\$70.1	\$24.5
Tax Revenue (Mil \$)	\$27.6			