July 23, 2025

The Honorable Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: **Docket Number USTR–2025–0043**, Proposed Actions Under Section 301 Investigation of Brazil's Trade Practices

Dear Ambassador Greer:

We appreciate the opportunity to submit comments in support of the Office of the United States Trade Representative's ("USTR") Section 301 investigation into Brazil's trade practices and their impact on U.S. commerce. We support USTR's mission to uphold fair trade rules and protect American businesses and workers from harmful foreign policies.

Renew Kansas Biofuels Association (Renew Kansas) is the trade association of the Kansas biofuel processing industry. Renew Kansas serves as the representative voice of the industry to demonstrate the positive impact biofuels have on regional and national economies.

KGFA represents the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes 99% of the commercially licensed grain storage in the state.

Our organizations represent a broad spectrum of member companies involved in the production, transportation, storage, processing, and export of agricultural commodities and renewable fuels. Our members operate across the Midwest, serving domestic and global markets for [grains, feedstocks, and biofuels.] We are deeply concerned that Brazil's current trade practices—particularly in relation to deforestation linked agricultural expansion, ethanol tariffs, and discriminatory trade preferences—create unfair systemic disadvantages for U.S. farmers, agricultural exporters, and the supply chains that support them.

Concerns Regarding Deforestation & Anti-Competitive Practices

Brazil's weak enforcement of environmental and land-use laws gives its producers an unfair advantage in global markets. Deforestation, largely driven by soy and cattle expansion, is enabling rapid increases in Brazilian commodity output. This surge depresses global prices and squeezes U.S. producers of [grains, feedstocks, and biofuels], who operate under stricter sustainability, labor, and environmental standards, but who also use responsible stewardship practices. The result is a growing imbalance that penalizes American farmers and undermines fair competition.[1]

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[1] *Trump Administration Celebrates Earth Day by Spotlighting 'Unfair Trade Practices' That Harm Environment*, AgWeb, April 2020.

Cattle ranching accounts for an estimated 60–80% of Brazil's deforestation, converting approximately 1.9 million hectares per year into pasture.[2] Soy expansion follows closely behind, increasingly planted on degraded pastures or directly cleared areas. From 2020 to 2022, soy-linked deforestation increased from 635,000 hectares to 794,000 hectares—a 25% jump fueled by Brazil's permissive environment for clearing forest for agriculture production.[3] Much of this expansion takes place on land that is at least 50% cheaper than previously cleared acreage, providing Brazilian producers with a cost advantage built on unsustainable and illegal practices.

A 2023 analysis estimated that from 2012 to 2030, Brazilian deforestation could cost U.S. agriculture between $190 billion and $270 billion in lost revenue across soy, beef, and related commodities.[4] Halting this deforestation could restore between $34.2 billion and $53.4 billion in U.S. soybean income to U.S. growers alone.[5]

Taken together, Brazil's practices penalize honest actors throughout the U.S. agricultural supply chain, while rewarding actors that cut against widely held market norms that promote fair trade and sustainability. This imbalance also undermines our infrastructure investments built around responsibly sourced American products.

Discriminatory Tariffs on U.S. Ethanol Exports

Brazil's imposition of high tariffs on U.S. ethanol—after years of collaboration toward a more liberalized and reciprocal biofuels market—has materially impacted U.S. ethanol producers, particularly in the Midwest. These tariffs have resulted in the loss of export volumes and contracts that were previously critical to the commercial viability of U.S. biofuel plants and the logistical infrastructure built to serve them. Ethanol exports from the United States rely on integrated supply chains that employ thousands of American workers—and these supply chains suffer when volumes become unpredictable or evaporate due to foreign policy shifts.

Broader Agricultural Trade Imbalances

Brazil's preferential treatment of certain trading partners through lower tariffs and non-tariff barriers further disadvantages U.S. exporters in key commodities, including soybeans, corn, wheat, and value-added grain products. U.S. exporters often find themselves disadvantaged compared to foreign competitors with favorable tariff arrangements, especially in price sensitive markets. These disparities result in lost U.S. market share and discourage infrastructure investment in rural export corridors that depend on high-volume throughput. These trade imbalances affect not only farmers and agribusinesses, but also the grain handlers, elevator operators, train conductors, and terminal managers, among others that sustain these industries.

The effects of Brazil's discriminatory and distortive policies are not limited to the Brazilian market. Brazil exports of agricultural commodities threaten U.S. exports to third-country markets, especially to China. According to the U.S. Department of Agriculture ("USDA"), the "Soy China"

[2] *Connecting Exports of Brazilian Soy to Deforestation*, Stockholm Environment Institute (SEI), 2022.
[3] *Id.*
[4] *How Much Does Deforestation Cost US Producers?*, The Cattle Site, 2023.
[5] *Id.*

initiative "aims to develop a dedicated soybean supply chain" from Brazil to China.[6] The entire initiative is "essentially a customized, exclusive soybean production model designed to meet Chinese import needs and standards…"[7] This initiative builds on past success where U.S. soybean exports to China were displaced by Brazilian exports to China.[8] In short, Brazil has used its practices of illegal deforestation and preferential trade treatment to the detriment of U.S. exporters of agricultural products globally.

Recommendations

To address the challenges above, we respectfully request that USTR:

- Apply targeted trade measures against goods originating from deforested areas unless Brazil strengthens enforcement;
- Seek ethanol trade parity by negotiating the removal of Brazil's tariffs on U.S. renewable fuels, and pushing for reciprocal treatment;
- Push for agricultural tariff parity, ensuring U.S. goods receive treatment equal to that of Brazil's other trade partners;
- Coordinate with environmental and energy agencies to align trade responses with U.S. regulations;
- Recognize the broader impacts of these trade imbalances by ensuring that U.S. infrastructure and logistics service providers are not indirectly penalized by unfair foreign practices; and
- Monitor enforcement benchmarks and calibrate 301 measures accordingly based on Brazil's progress or lack thereof.

We appreciate USTR's leadership on these critical issues and welcome the opportunity to collaborate on achieving a fairer, and more sustainable, trade relationship with Brazil. Please do not hesitate to contact us for additional information or engagement.

Sincerely,

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[6] *See* USDA Foreign Agriculture Service, *Assessment of Soy China Initiative in Brazil* (June 23, 2025), available at: https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Assessment%20of%20Soy%20China%20Initiative%20in%20Brazil_Brasilia_Brazil_BR2025-0019.pdf.
[7] *Id.* at 2.
[8] *Id.* at 3.