



Statement of Essential Facts

REVIEW No. ER0083

6 August 2026

Countervailing expiry review of biodiesel products originating from the United States of America (including biodiesel consigned from Canada)



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Section A: Introduction

A1. Background

1. On 10 November 2022, the TRA published its final determination for countervailing transition review TS0005: Biodiesel originating from United States and Canada.
2. The TRA recommended in that final determination to vary the countervailing duty on fatty-acid mono-alkyl esters (“FAME”) originating in the United States (US) (including FAME consigned from Canada, whether declared as originating in Canada or not) so that it applies for 5 years from 30 January 2021. The TRA recommended to revoke the countervailing duty on hydrogenated vegetable oil (“HVO”) originating in the US (including HVO consigned from Canada, whether declared as originating in Canada or not), from 30 January 2021.
3. The recommendation was accepted by the Secretary of State and enacted by [Trade remedies notice 2022/09](#).
4. On 28 January 2026, the TRA published a [Notice of Initiation](#) for this review to confirm the start of the expiry reviews for this measure.
5. [Trade remedies notice 2026/07](#) confirmed the application of the countervailing measure relating to biodiesel products originating from the US (including biodiesel consigned from Canada) will continue during this review, pursuant to regulation 70(9) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (the Regulations). This will be until the TRA makes a determination that the countervailing measure should expire, the Secretary of State for Business, Innovation, Science and Trade (Secretary of State) has accepted or rejected the TRA’s recommendation, or the Secretary of State has made a decision to apply an alternative remedy.



A2. Legal obligations

6. This SEF is made pursuant to regulation 62 of the Regulations.¹ It includes:
- the determination that the TRA intends to make;
 - a summary of the facts considered during the review;
 - those facts referred to in the summary that formed the basis of the intended determination;
 - details of how the TRA has used the information supplied by interested parties and contributors in making the intended final determination; and
 - details of the analysis forming the basis of the intended recommendation.
7. This SEF should be read in conjunction with other public documents available for this case, which are available on the public file.
8. Pursuant to regulation 62(2) of the Regulations, interested parties, contributors, and any other person who has supplied information to us are invited to make submissions within 21 calendar days of the publication date of this SEF, i.e., before 23:59 hours (BST) on Friday, 28 August.
9. We are not obliged to consider submissions made after this date if it is determined this would significantly impede the progress of the review. Where we reject information for any reason, we will publish the reasons for the rejection in the final determination.

A3. Period of investigation and injury period

10. The period of investigation (POI) is 1 January 2025 to 31 December 2025.
11. To assess the injury likelihood, the TRA has chosen the period from 1 January 2022 to 31 December 2025 as the injury period (IP).

¹ Regulation 62 and Parts 2, 3, 4 and 6 of the Regulations apply to reviews to the extent that the TRA considers relevant pursuant to regulation 68(8) of the Regulations.



Section B: Summary and findings

B1. Subsidy likelihood assessment

12. In accordance with regulation 70(6)(a) of the Regulations, the TRA has considered whether subsidisation of the goods subject to review ([see Section D1: Goods subject to review](#)) is continuing or is likely to recur if the application of the countervailing amount were to expire.
13. We have concluded that subsidisation of the goods subject to review, originated from the US and consigned from Canada, is continuing and is likely to continue if the application of the countervailing amount were to expire ([see Section F: Subsidy likelihood assessment](#)).

B2. Whether subsidised imports are likely to continue or recur

14. We have concluded that it was likely that subsidised imports would recur in significant quantities should the measure lapse. As the TRA concluded that US biodiesel producers have the ability and incentives to redirect significant volume of the goods subject to review should the measure lapse (see [Section G: Whether subsidised imports are likely to recur](#)).

B3. Injury likelihood assessment

15. In accordance with regulation 70(6)(b), the TRA has considered if the injury has been removed or reduced in whole or in part by the application of the countervailing amount. In accordance with regulation 70(6)(c) the TRA has considered whether injury to UK industry caused by the subsidised goods is likely to continue or recur, if application of the countervailing amount were to expire.
16. We conclude that injury to UK industry caused by subsidised goods is likely to recur, if the application of the countervailing amount were to expire (see [Section H: Injury likelihood assessment](#))



B4. Economic Interest test (EIT)

17. In accordance with regulation 70(12) and 75(2E) of the Regulations, if the TRA determines that the countervailing amount should be extended, the TRA must conduct the EIT and advise the Secretary of State on whether, and why, it considers that extending the countervailing amount would meet the EIT.
18. In accordance with paragraph 25 of Schedule 4 to the Taxation (Cross-Border Trade) Act 2018 ('the Act'), the EIT is met in relation to the application of a countervailing measure if the application of the measure is in the economic interest of the UK. The EIT is presumed to be met unless we are satisfied that the application of the measure is not in the economic interest of the UK.
19. The TRA considers that the proposed extension of the measure in accordance with our intended final recommendations does meet the EIT (see [Section I: Economic Interest Test](#))

B5. Intended final determination

20. The TRA's intended final determination is that the application of the countervailing amount to the goods subject to review should be extended, pursuant to regulation 70(11)(b) of the Regulations, so that they apply to all of the goods subject to review imported into the UK until 30 January 2031. This is five years subsequent to the date when the measure would have expired on 30 January 2026 had no expiry review been initiated. No information was received to lead us to consider that it was appropriate to amend the level of the countervailing amounts.
21. We intend to recommend to the Secretary of State that the countervailing amounts be extended, pursuant to regulation 75(1)(c) of the Regulations.
22. In accordance with Regulation 70(8) of the Regulations, where the goods subject to review are subject to a countervailing amount, the TRA must have regard to the current and prospective impact of the countervailing amount when making a determination regarding the future application of a countervailing amount. You can find further detail on this in Sections F, G, H and I.



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23. The relevant duty amounts are specified in [Trade remedies notice 2022/09](#), and repeated in [Annex A](#).
24. The description of the goods to which the measures apply (that is, the goods subject to review) is set out in [Section D: The goods](#).



Section C: Background

C1. Participation in the review

25. In accordance with regulation 54(1), the TRA invited interested parties and contributors to register in order to participate in the review. The TRA requested that completed registration forms be submitted to the TRA by no later than 12 February 2026. The TRA published questionnaires for completion by interested parties on 2 March 2026, with the deadline for submission on 1 April 2026.
26. The relevant non-confidential submissions made to this review by each of the parties are available on the public file. Annex B: Interested parties and contributors contains a summary of information received from all interested parties and contributors.
27. The following interested parties and contributors registered to this investigation:

UK Producers:

- Argent Energy (UK) Limited (Argent)
- Olleco
- Greenergy Fuels Limited (Greenergy)

Trade Bodies:

- Renewable Transport Fuel Association (RTFA) (the applicant)
- Advanced Biofuels Canada Association

Foreign Governments

- United States of America, Department of Commerce
- Office of the US Trade Representative
- Global Affairs Canada (GAC)

Contributors:

- UK Oil Industry Tax Committee
- Valero Energy Ltd
- Philips 66 Ltd



C1.2 UK producers

28. The TRA received email correspondence from Olleco on 10 March 2026 outlining that the business had decided not to complete a questionnaire. As such, we do not have questionnaire-level data for Olleco to include in assessments. We nonetheless consider Olleco to be part of the UK industry for the purposes of this assessment.
29. Argent provided information in the form of:
- A confidential and non-confidential pre-sampling questionnaire (PSQ) response;
 - a confidential and non-confidential questionnaire and various confidential and non-confidential supporting appendices; and
 - a confidential and non-confidential questionnaire annex.
30. Argent provided permission for data submitted in investigations AS0067 and AD0068 to be used for assessments in this review.
31. Greenergy provided information in the form of:
- a confidential and non-confidential pre-sampling questionnaire (PSQ) response; and
 - a confidential and non-confidential questionnaire annex
32. Greenergy withdrew its full participation and did not submit a full questionnaire.
33. It provided permission for information given in other cases to be used for the purpose of assessments in this review.
34. The TRA published a Notification of Sampling Decision on 2 March 2026. The TRA chose not to limit the issuing of questionnaires to a sample of certain interested parties. Where we refer to the UK producers in this SEF, we refer specifically to UK producers Greenergy and Argent.



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35. The TRA received requests from Argent for an extension of time to submit its questionnaire responses. The TRA granted Argent an extension until 8 April 2026.

C1.3. Exporters/Producers from the US

36. No exporters or overseas producers from the US registered interest in this review.

C1.4. Importers

37. No importers registered interest in this review.

C1.5. Trade bodies

38. The RTFA and Advanced Biofuels Canada Association registered an interest in this case. The RTFA provided comments to the TRA related to the review on 6 May 2026 and on 8 June 2026.

C1.6. Foreign government

39. The United States Department of Commerce registered an interest in this review.
40. The Office of the US Trade Representative registered an interest in this review. It later provided a questionnaire response on 3 April 2026.
41. Global Affairs Canada registered an interest in this review. It provided comments related to the review to the TRA on 26 May 2026 and 23 June 2026.

C1.7. Contributors

42. The UK Oil Industry Tax Committee registered an interest in this review.
43. Valero Energy Ltd registered an interest in this review. It later provided a questionnaire. Philips 66 Ltd registered an interest in this review on 12 February 2026.



C2. Data used in this review

44. Data on the goods subject to review available to us was limited as a result of no participation from overseas producers.
45. The commodity codes relevant to this review likely include blends of mineral diesel. This impacts the value and volume of HMRC import data for this review and any mineral diesel represented in the HMRC data is likely to significantly distort the data. It is not possible to remove any mineral diesel component as the goods subject to review can be blended at different ratios for different purposes. Consequently, HMRC data has been used for the purpose of assessing imports, and otherwise with circumspection.
46. We have used data from the Renewable Transport Fuel Obligation (RTFO), published by the Department for Transport (DfT). DfT records and publishes the supply of renewable road and non-road mobile machinery fuels under the RTFO in the UK. The TRA has used data from [Renewable fuel statistics 2025: fourth provisional report](#).
47. Within this statement of essential facts, there are instances where Argus Media (Argus) is identified as a source of the data which the TRA has aggregated and republished under licence from Argus. This data has not been prepared specifically for the TRA nor with any knowledge of any of the materials into which the TRA is incorporating it. Argus makes no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of its data or the TRA's presentation of that data, or its fitness for any particular purpose. Argus shall not be liable for any loss or damage arising from any party's reliance or use of such data and disclaims any and all liability related to or arising out of use of the data to the fullest extent permissible by law.
48. For the purposes of this assessment, and elsewhere in this document where export figures sourced from the USDA are referred to, these figures represent the export figures from the US declared under commodity code 3826000000. The TRA considers that this code is reasonably representative as it does not include diesel or imports of HVO, which can be included in other in-scope



commodity codes. It is the TRA's understanding that 3826000000 also contains the greatest proportion of exports.

C3. Verification of data

49. The TRA has had regard to the information supplied by interested parties and contributors, provided that this:
- a) complied with the TRA's statutory obligations and public guidance;
 - b) was verifiable;
 - c) could be used without undue difficulty; and
 - d) was supplied within an applicable time limit and in a form that the TRA requested.
50. The TRA considers all submitted data upon which it has based its findings in this SEF to be verifiable.
51. Following a review of the information provided, knowledge of the industry and participants from previous investigations the TRA considers it has sufficient assurance in respect of the verifiable data for the purposes of its use in this investigation.
52. Secondary source information was used in accordance with the Regulations. This secondary information was treated with special circumspection and, where practicable, verified using independent sources. This included, but was not limited to, official import statistics and data pertaining to relevant markets.



Section D: The goods

D1. Goods subject to review

53. The goods subject to review are defined in regulation 2 of the Regulations as “the goods described in the relevant notice of initiation of review under paragraph 1 of Schedule 3 [of the Regulations]”.
54. The goods subject to review in this expiry review are biodiesel products imported into the UK, originating in the US and consigned from Canada, as described in the Notice of Initiation as:

Category 1 Goods (biodiesel, pure or blend, greater than 20% biodiesel content)

Fatty-acid mono-alkyl esters (FAME) and/or paraffinic gasoil obtained from synthesis of non-fossil origin, commonly known as ‘biodiesel’. In a pure form or in a blend containing by weight more than 20%, fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis of non-fossil origin, originating in the United States of America and consigned from Canada.

AND

Category 2 Goods (biodiesel, blend, less than 20% biodiesel content)

Fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis of non-fossil origin, commonly known as ‘biodiesel’, in a blend containing by weight 20% or less of fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis of non-fossil origin, originating in the United States of America.

55. The goods subject to review are subject to the following commodity codes (which are subject to change and are only provided for information):

1516 2098 21	2710 2011 21	3826 0010 29
1516 2098 29	2710 2011 29	3826 0010 50
1516 2098 33	2710 2011 33	3826 0010 59
1518 0091 21	2710 2016 21	3826 0010 89
1518 0091 29	2710 2016 29	3826 0010 99
1518 0091 33	2710 2016 33	3826 0090 11
1518 0095 21	2710 2016 93	3826 0010 19
1518 0099 21	2710 2019 10	3826 0090 33
1518 0099 29	2710 2019 90	3826 0010 20
1518 0099 33		



D2. Like goods

56. In accordance with paragraph 7 of Schedule 4 to the Act, the TRA refers to 'like goods' as those which are like the goods subject to review in all respects or have characteristics which closely resemble them.
57. For clarification, the US goods produced goods can be 'like goods' if they are not imported into the UK.

D3. Comparison of goods subject to review and like goods

58. In assessing whether the goods produced by the UK industry are like goods subject to review in all respects or with characteristics closely resembling them, the TRA has considered:
- a) physical likeness, including physical characteristics;
 - b) commercial likeness, including competition and distribution channels;
 - c) functional likeness, including end-use or interchangeability of the goods;
 - d) similarities in production, including method of production and inputs; and
 - e) other relevant characteristics.
59. The TRA has found that:
- Like goods are produced by UK industry. These have the same general physical, commercial and functional likenesses as the goods subject to review and share similar production processes.
 - Like goods are also produced by overseas producers for sale in US and third-country domestic markets. These have the same general characteristics as the goods subject to review.
60. The TRA has determined that the goods produced by the UK industry defined in [Section D2](#) are like the goods subject to review in all respects or have characteristics closely resembling. Therefore, they qualify as "like goods" for the purposes of paragraph 7 of Schedule 4 to the Act.



Section E: Comments received from interested parties

E1. Overview

61. Since publishing questionnaires, the TRA has received comments from:
- a) GAC; and
 - b) The RTFA
62. These comments are available on the public file and can be found in Annex B.
63. The TRA intends to address these comments in this section.

E2. Comments

E2.1. Global Affairs Canada

64. GAC submitted comments on 27 May 2026.
65. GAC stated that the anti-dumping and countervailing measures on biodiesel consigned from Canada should expire because there is no evidence that Canada has been used to circumvent measures on US biodiesel. It contended that the UK inherited the EU's anti-circumvention measures without making a UK-specific finding of circumvention and that neither the transition reviews nor the current expiry reviews contain evidence of a change in trade patterns between Canada and the UK or injury caused by Canadian imports. GAC also noted that the TRA previously found imports from Canada to be minimal.
66. GAC further submitted that circumvention cannot be presumed based on historic findings relating to the EU market and that the current review contains no evidence that transshipment through Canada is occurring or likely to recur. It submitted that there is no basis for maintaining the measures on Canadian consignments.
67. Alternatively, if the measures are continued, GAC requested that existing exemptions for Canadian biodiesel producers be maintained and extended to



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other legitimate Canadian producers, noting that there are no allegations of dumping or subsidisation applicable to Canadian producers themselves.

68. The TRA notes that the finding of circumvention by the European Commission in 2011² represents positive evidence relevant to exporters' past conduct and incentive to circumvent dumping and countervailing measures applicable to UK imports. The TRA therefore considers this evidence relevant to its assessment as to the likelihood of recurring injury caused by subsidised or dumped imports consigned from Canada.
69. The TRA acknowledges the GAC's request that existing exemptions for Canadian biodiesel producers be maintained. Other Canadian biodiesel producers may apply for exemptions.
70. GAC submitted comments on 23 June 2026 in response to the RTFA's 8 June 2026 rebuttal of GAC's 27 May 2026 submission.
71. GAC described three points that it considered were made by the RTFA:
 - a) The TRA has no obligation to apply the legal test for a circumvention review in an expiry review;
 - b) There is evidence of transshipment to the United Kingdom because it was part of the EU during the original investigation; and
 - c) Canadian producers may apply for an exemption review, and to revoke the measures applicable to Canada would create a risk of circumvention.
72. In relation to points 71 a) and b), GAC noted that while the Regulations do not specifically require the TRA to reassess previous findings of circumvention in an expiry review, these requirements are relevant in the present case because they were not assessed when the United Kingdom transitioned the EU's measures and there is no other positive evidence of transhipped US biodiesel to the United Kingdom. GAC also asserted that the TRA should not apply the EU's determination to the UK without reassessment.

² [Council Implementing Regulation \(EU\) No 443/2011](#)



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73. In relation to point 71 c), GAC states that applying for exemption to duties through an exemption review could be lengthy or expensive for Canadian biodiesel producers.
74. The TRA appreciates that Canadian producers seeking to export biodiesel to the UK might choose to apply for an exemption to the measures, and that this might require time and some effort on their part. Some Canadian biodiesel producers may make the commercial decision not to engage with the exemption process at their discretion. Nonetheless, the TRA maintains its position outlined in paragraph 52, and the TRA does not consider it a requirement to reassess the findings of circumvention from first principles in this expiry review.

E2.2. The RTFA

75. The RTFA submitted comments to this review on 6 May 2026. These comments explicitly provide a response to the questionnaire submission from the USTR dated 3 April 2026 and to the questionnaire submission from Valero dated 1 April 2026.
76. The RTFA rebuts five main points it states were raised by the USTR and Valero, which are as follows:
- a) Volume of biodiesel imports into the UK are marginal and several injury indicators of the UK biodiesel industry improved, preventing a likelihood of recurrence of injurious dumping practices on the UK market;
 - b) The countervailing duties are no longer necessary as the main subsidy programme the Blender's Tax Credit (BTC) was discontinued during the POI and that the Clean Fuel Production credit (CFPC) has allegedly not replaced the BTC.
 - c) Imports of the goods subject to review benefiting from subsidisation were below de minimis during the POI.



- d) The countervailing duties are no longer necessary as the UK domestic industry does not appear to be injured nor vulnerable to injury and the expiry of the subject measures would not lead to the recurrence of injury.
- e) Terminating the anti-dumping/countervailing duties would serve the UK's economic interests.

77. These points are considered in turn below.

78. The RTFA made an additional submission on 8 June 2026 to respond to comments submitted by GAC. These comments are discussed under E2.1.

E2.2.1. Import volume of the goods subject to review

79. The RTFA note the TRA received no cooperation from US FAME exporting producers and that this lack of cooperation requires the TRA to default to conducting its assessments on a facts available basis.

80. The TRA confirms that it did not receive participation from any US FAME exporting producers in this review, despite notifying parties known to us. The TRA acknowledge that low volumes of the goods subject to review suggests a very small selection of US FAME exporting producers active during the POI. Nonetheless, there was no participation from either US FAME exporting producers or US FAME producers.

81. In particular, participation from US FAME producers might have provided information relevant to whether subsidisation of the goods subject to review is continuing or is likely to recur. This information does not rely on a US FAME producer exporting during the POI. In the absence of this information, the TRA has relied on the questionnaire submission made by the USTR and the best facts available.

82. The RTFA comments that the low import volumes of the goods subject to review do not prevent a determination that imports would likely recur, should the measures be discontinued.



83. The RTFA submits evidence to suggest a likelihood that imports of the goods subject to review would recur. The RTFA suggests that the evidence submitted shows the following:

- a) Significant spare capacity in the US biodiesel industry, particularly compared with UK consumption;
- b) Large US biodiesel inventories compared with UK consumption.

84. The TRA has addressed this evidence and the likelihood that imports of the goods subject to review would recur in [Section G](#).

85. The RTFA states that the US biodiesel industry is heavily subsidised and submitted evidence to suggest that biodiesel prices since January 2025 reflect a cost of production below the shutdown price. The RTFA suggests that this creates incentive to sell to export markets such as the UK. The RTFA then outlined that the US is limited in its available third-country export markets.

86. The TRA has discussed incentive to export in [Section G](#).

E2.2.2. Expiry of the BTC and likelihood of continuation or recurrence of subsidisation

87. RTFA comments that despite the expiry of the BTC, there is a likelihood of recurrence of subsidisation because the CFPC and other subsidy schemes remain in place and provide a benefit to US FAME producers.

88. RTFA argues that the CFPC has a close nexus with the BTC because both:

- a) Support the same product (biodiesel/FAME);
- b) Take the form of federal tax credits constituting revenue foregone;
- c) Are administered by the US Internal Revenue Service (IRS);
- d) Provide a maximum benefit of up to USD 1.00 per gallon; and
- e) Operate through the same taxpayer registration mechanism.

89. RTFA concludes that the expiry of the BTC cannot be equated to the end of subsidisation in the US FAME industry. The RTFA also notes that other subsidy



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programmes have been put in place by the US federal and state governments to the benefit of the US biodiesel industry and remain active. These subsidies should also be considered on the same basis as the CFPC.

90. The TRA explicitly addresses these points in its subsidy likelihood assessment in Section F, in particular under [F2.1.1.](#) and [F3.1.1.](#)

E2.2.3. de minimis threshold as applies in this review

91. In its questionnaire response, Valero stated that “*FAME imports during the POI would fall below the 1% de minimis threshold for a qualifying countervailable subsidy under Regulation 25(4) of the 2019 Regulations,*” and that consequently imports of the goods subject to review benefitting from a subsidy amount attributable to the CFPC in 2025 would be considered *de minimis*.
92. The RTFA expresses the view that de minimis thresholds should not be analysed in the context of an expiry review as this appears to contradict with the assessment of a likelihood of continuation or recurrence of subsidisation.
93. The TRA has not considered it appropriate to recalculate the countervailing amount and reassess the amount of the subsidy for this review. Therefore, the TRA has not considered it relevant to apply regulation 25 of the Regulations to this review.

E2.2.4. UK biodiesel industry likelihood of injury

94. The USTR and Valero submitted that the anti-dumping and countervailing measures should be allowed to expire because the UK biodiesel industry does not appear to be injured or vulnerable to injury. They point to increasing sales, higher productivity and lower inventory levels as evidence of a healthy industry. The RTFA rejects this argument, contending that it applies the wrong legal test. They state that in an expiry review, the relevant question is not whether the industry is currently injured, but whether injury is likely to continue or recur if the measures are removed. The RTFA argues that improvements in industry performance may instead demonstrate that the measures are functioning as intended and that any assessment should focus on the likely future impact of removing protection rather than the industry's current position.



95. The RTFA argued that Valero selectively relies on favourable indicators while overlooking broader signs of weakness and the RTFA maintained that the UK biodiesel industry remains financially fragile and vulnerable, and that removing the measures could lead to a recurrence of injury.
96. The TRA has assessed whether injury caused by imports of the goods subject to review is likely to continue or recur. This assessment is detailed in [Section H](#).

E2.2.5. The economic interest test as applied to this review

97. The RTFA rebutted Valero's argument that revoking this measure would be in the economic interest of the UK.
98. The TRA has assessed whether maintaining this measure would be in the economic interest of the UK. This assessment is detailed in Section I.
99. The RTFA made an additional submission on 8 June 2026 to respond to the USTR questionnaire submission.
100. The RTFA opposed the USTR's arguments that countervailing measures on US biodiesel should expire, arguing that significant subsidisation of the US biodiesel industry continues and is likely to persist.
101. The RTFA pointed to a range of federal and state support schemes that remain in force to indicate ongoing subsidisation in the US for biodiesel. Drawing on public studies and industry data, the RTFA argued that US producers continued to receive benefits during the POI. It noted that the now expired BTC has frequently been reinstated retrospectively and that legislation has already been proposed to restore it again.
102. The RTFA also highlighted the absence of cooperation from US biodiesel producers.
103. The RTFA commented that the USTR refused to provide information on the value of benefits received under key tax credit schemes, citing US tax confidentiality rules. The RTFA argued that this constitutes a failure to cooperate with the TRA's investigation because the information could have been supplied on a confidential basis.



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104. The TRA does not currently consider this information material to our assessment for the subsidy likelihood assessment, and it has accepted this submission from the USTR.
105. The TRA responds to these points raised as part of the subsidy likelihood assessment in [Section F](#).



Section F: Subsidy likelihood assessment

F1. Introduction

106. In accordance with regulation 70(6)(a) of the Regulations, the TRA is required to consider whether subsidisation of the goods subject to review is continuing or is likely to recur, if the application of the countervailing amount were to expire.
107. We have considered the likelihood of continuing or recurring subsidisation of biodiesel products originating in the US, including products consigned from Canada, on a countrywide basis rather than exporter-by-exporter, as no cooperating exporters registered to this case. Accordingly, there was insufficient available data relating to individual exporters.
108. The subsidy likelihood assessment has considered the subsidy programmes that were found to be countervailable in the transition review [TS0005 Biodiesel from United States \(US\) and Canada](#) that transitioned UK trade remedies measures under [Notice of determination 2020/05](#) from the European Union (EU) [Council Regulation \(EC\) No 598/2009](#) of 7 July 2009. The assessment also evaluates any new countervailable subsidies specific to the goods subject to review.
109. The EU Commission conducted an expiry review and implemented definitive measures in the form of [Commission Implementing Regulation \(EU\) 2015/1519](#) of 14 September 2015, in which the countervailing measure was maintained.
110. Since the initial subsidy case was investigated, the Federal and State subsidies in place in the US have altered over time. Information regarding the previously countervailable subsidies from all preceding cases is presented in [Section F2](#).
111. Information regarding newly alleged subsidies concerning biodiesel production in the US is presented in [Section F3](#). This information has been sourced from the Application and further research conducted by the TRA.
112. For any newly alleged subsidies that are providing subsidisation or are likely to provide subsidisation to US biodiesel producers, the TRA has conducted a



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close nexus test to ascertain that the new subsidies are sufficiently similar to the subsidisation of biodiesel found in previous investigations and reviews.

113. [Section F4](#) describes the likely rate of subsidisation of the goods subject to review based upon the evidence provided in Sections F2 and F3 of multiple existing subsidies from previous investigations/reviews and newly alleged subsidies that have found to be countervailable and available to provide subsidisation of the goods subject to review.
114. [Section F5](#) concludes the subsidy likelihood assessment and finds that there is sufficient evidence that subsidisation of the goods subject to review continued during the period of investigation and is likely to recur in the future, and that the likely rate of subsidisation of the goods subject to review is significant
115. Table F.1 below identifies the subsidies that are discussed in this assessment, highlighting which subsidies were introduced in previous investigations/reviews and which subsidies have been newly alleged.
116. For reference, Table D.1 in [Annex D](#) summarises the conclusions presented within this section, as to whether each subsidy program considered is likely providing continuing subsidisation of the goods subject to review or if subsidisation of the goods subject to review is likely to recur through each program.



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Table F.1: List of investigated subsidies

No.	Level of subsidy	Subsidy programme
Subsidies introduced in the EU's 2009 investigation		
1	Federal	Biodiesel Mixture Credit
2	Federal	Biodiesel Credit
3	Federal	Small Agri-biodiesel Producer Tax Credit
4	State	Texas fuel and biodiesel production incentive program
5	State	Missouri Qualified Biodiesel Producer Incentive Fund
6	State	Washington State Biofuels Production Tax Exemption
Subsidies introduced in the EU's 2015 expiry review		
7	Federal	Second Generation Biofuel Producer Credit
8	Federal	USDA Bioenergy programme for advanced biofuel (BPAB)
9	State	Kansas Qualified Biodiesel Fuel Producer Incentive
10	State	Iowa Biodiesel Producer Tax Refund
11	State	Kentucky Biodiesel Production Tax Credit
12	State	Florida Biofuels Investment Tax Credit
Newly alleged subsidies in application		
13	Federal	Clean Fuel Production Credit
14	Federal	Advanced Research Projects Agency-Energy (ARPA-E) (referred to as the "Energy Transformation Acceleration Fund")
15	Federal	Alternative Fuel Vehicle Refueling Property Credit
16	Federal	Rural Energy for America Programme Renewable Energy Systems & Energy Efficiency Improvement Guaranteed Loans & Grants (REAP)
17	Federal	USDA Higher Blends Infrastructure Incentive Programme (HBIIP)
18	State	Illinois – Biofuels Tax Exemption
19	State	Iowa – Renewable Fuel Infrastructure Program
20	State	Kansas - Biofuel Blending Equipment Tax Exemption
21	State	Michigan – Incentive Program for In-State Sale and Production Biodiesel
22	State	North Dakota – Agriculturally Derived Fuel Production Facility Loan Guarantee
23	State	North Dakota – Biodiesel and Renewable Diesel Blender Income Tax Credit
24	State	North Dakota – Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit
25	State	North Dakota – Biofuels Partnership in Assisting Community Expansion (PACE) Loan Program
26	State	North Dakota – Clean Sustainable Energy Authority
27	State	Alabama – Biofuel Production Jobs Tax Credit
28	State	Montana – Biodiesel Tax Exemption
29	State	Montana – Refund for Taxes Paid on Biodiesel By Distributor Or Retailer
30	State	New Mexico – Biodiesel Blending Facility Tax Credit
31	State	Oregon – Production Property Tax Exemption (as part of the Rural Renewable Energy Development (RRED) Zone)
32	State	South Dakota – Biodiesel Blend Tax Credit
33	State	South Dakota – Biodiesel Tax Reduction
34	State	South Dakota – Tax Refund for Methanol Used in Biodiesel Production
Introduced by the US Trade Representative in questionnaire submission		
35	State	Missouri – Biodiesel Producer Tax Credit



F2. Previously included countervailable subsidies

F2.1. Subsidies found to be countervailable in the 2009 investigation

117. Council Regulation (EC) No 598/2009 calculated the ad valorem subsidy rates associated with two Federal subsidies, the Biodiesel Mixture Credit and Small-Agri Biodiesel Producer Credit; and three State subsidies, the Texas Fuel Ethanol and Biodiesel Production Incentive Program, the Missouri Qualified Biodiesel Producer Incentive Fund and the Washington State Biofuels Production Tax Exemption.

118. The Biodiesel Credit was also analysed as it forms part of the same legislation that authorises the Biodiesel Mixture Credit.

119. The EU calculated the fixed duty rates for seven US biodiesel producers in accordance with the five subsidies, as well as establishing a flat rate for non-sampled cooperating companies and a residual rate for all other companies. The subsidy percentages and rates are shown in Table C.1 in [Annex C](#).

F2.1.1. Biodiesel Mixture Credit

120. The Biodiesel Mixture Credit, more commonly known as the BTC, provided a benefit of a \$1.00 tax credit for each US gallon of biodiesel (or renewable diesel) used to produce a qualified mixture³.

121. The TRA found that when active, the credit must first be taken as a credit against the qualifying biodiesel blender's fuel tax liability; any excess over this tax liability may have been claimed as a direct payment from the Internal Revenue Service (IRS)⁴.

122. The incentives under Title 26, Section 40A of the US Code represent tax revenue foregone that normally would have been paid to the IRS.

³ Title 26 Section 40A(b)(1)(A) of the US Code

⁴ [US Department of Energy - Inflation Reduction Act Summary Table](#)



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123. As stated on its website, the IRS is a bureau of the Department of the Treasury. It is organised to carry out the responsibilities of the Secretary of the Treasury under section 7801 of the Internal Revenue Code (IRC).⁵

124. As the central government of the US, the IRS constitutes a foreign authority, within the meaning of paragraph 3(4) of Schedule 4 to the Act.

125. The TRA considers that the \$1.00 biodiesel mixture credit reduced the tax liability of a company, increasing resources available to it. The difference between the tax liability with and without the tax credit is \$1 being the amount of the tax credit and this constitutes the benefit conferred by the programme.

126. We consider that the IRC provides evidence that the provision of the biodiesel mixture credit is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, which include blenders of biodiesel and renewable diesel in the US.

127. The BTC was found to be countervailable in Council Regulation (EC) No 598/2009, because:

“...the scheme provides a financial contribution by the Government of the United States of America in the form of direct grants (cash payments) and revenue forgone which is otherwise due (tax offset). The incentives confer a benefit on the companies receiving them.

The scheme is limited to companies that are involved in the biodiesel industry...⁶”

128. As seen in Table C.1 in [Annex C](#), all the sampled companies from the original EU investigation were found to have benefitted from the subsidy. Their subsidy rates, expressed ad valorem, ranged between 28.4% and 41.1%.

129. The BTC formed part of the rationale to maintain the countervailing measures within Commission Implementing Regulation (EU) 2015/1519 (the EU expiry

⁵ [Internal Revenue Service - The agency, its mission and statutory authority](#)

⁶ [Commission Regulation \(EC\) No 194/2009 paragraphs 57 and 58](#)



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review determination in 2015) and the TRA's transition review (TS0005) in 2021.

130. The United States Trade Representative (USTR) stated in their questionnaire response that the BTC could be claimed against a biodiesel blender's excise tax liability for the previous quarter in their tax return filings, or where the value of credit claimed exceeded their tax liability, the biodiesel blender could claim a payment. Alternatively, biodiesel blenders could claim the BTC in the form of a general business income tax credit⁷.
131. For biodiesel blenders to claim the tax credit against their excise duty required them to submit IRS Forms 8849⁸ and 8849 Schedule 3⁹ alongside their Quarterly Federal Excise Tax Return (IRS Form 720)¹⁰. The IRS instructs the quarterly tax returns to be completed by the following dates for the respective quarters:

Table F.2.1.1.1: Filing dates for quarterly excise tax returns	
Quarter covered	Due by
Jan., Feb., Mar.	April 30
Apr., May, June	July 31
July, Aug., Sept.	October 31
Oct., Nov., Dec.	January 31
Source: IRS - Instructions for Form 720 (12/2025)	

132. To claim the general business income tax credit required biodiesel blenders to claim this on IRS Form 8864¹¹ or Form 4136¹² attached to IRS Form 3800¹³ alongside their Corporation Income Tax Return (Form 1120)¹⁴.

⁷ [USTR Questionnaire Submission No. 1 Section C2 Question 1 p. 19](#)

⁸ [IRS Form 8849](#)

⁹ [IRS Form 8849 Schedule 3](#)

¹⁰ [IRS Form 720](#)

¹¹ [IRS Form 8864](#)

¹² [IRS Form 4136](#)

¹³ [IRS Form 3800](#)

¹⁴ [IRS Form 1120](#)



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133. A corporation must file its income tax return by the 15th day of the 4th month after the end of its tax year, so for firms that match their tax year to the calendar year, this date is 15 April.
134. Form 1120 gives the option for corporations to enter an alternative tax year than the calendar year, allowing firms to state the starting dates during 2025 and the ending dates in 2026. Therefore, for corporations that align their tax year with the fiscal year ending 31 March, they need to file their tax returns by 15 July.
135. Corporations are able to use Form 7004¹⁵ to request an automatic 6-month extension of time to file certain business income tax, information, and other returns, including the Corporation Income Tax Return.
136. Based on the mechanisms available to biodiesel blenders to claim the BTC, it was possible for corporations to claim the BTC in 2025 during their tax return submissions based on their 2024 production. If claimed as part of Quarterly Federal Excise Tax Return, biodiesel producers were required to claim the BTC by 31 January 2025 for their production during October to December 2024. If the BTC was claimed as part of their annual Corporation Income Tax Return, these were most likely filed on 15 April 2025 or 15 July 2025, based on the 2024 calendar year or the 2024/25 fiscal year.
137. Additionally, as corporations are able to file for an automatic 6-month extension period, it is feasible that biodiesel blenders were able to claim the BTC throughout all of 2025.
138. Although the BTC expired in December 2024, three bills that have been introduced to the 119th (current) US Congress to extend, temporarily reinstate or fully reinstate the BTC.
139. The proposed Biodiesel Tax Credit Extension Act of 2025 (H.R. 3137)¹⁶ seeks to extend the BTC until 31 December 2026 to be applied to biodiesel sold or

¹⁵ [IRS Form 7004](#)

¹⁶ [H.R. 3137 - Biodiesel Tax Credit Extension Act of 2025](#)



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used after 31 December 2024. This bill would retroactively apply the BTC for all of 2025 whilst providing future provision until the end of 2026.

140. The proposed CROP Act (S. 3297)¹⁷ sought to temporarily reinstate the BTC between 30 November 2025 and 31 May 2026. As the proposed expiration date of the legislation has passed, the legislation shall not be discussed further.
141. The most recent bill (H. R. 8497)¹⁸ was introduced in April 2026 and is currently being considered by the US Congress Ways and Means Committee. If enacted, this would reinstate the BTC for fuel sold after the legislation comes into effect until 31 December 2029.
142. The two bills that are applicable to reinstating the BTC include a “Denial Of Double Benefit” clause, which would deny biodiesel producers from claiming the BTC and other federal tax credits, specifically the Clean Fuel Production Credit, which is described later in the paper.
143. The clause identifies that by enactment of this legislation does not mean that other tax credits will be removed, but the proposal allows for biodiesel producers to benefit from subsidisation through either tax credit.

¹⁷ [S. 3297 – CROP Act](#)

¹⁸ [H. R. 8497 - Supporting Energy and Economic Development \(SEED\) Act](#)



Table F.2.1.1.2: US legislation passed into law to enact and extend the BTC

Legislation	Period covered	Expired
<u>American Jobs Creation Act of 2004</u>	2005 – 2006	31 December 2006
<u>Energy Policy Act Of 2005</u>	2007 – 2008	31 December 2008
<u>Emergency Economic Stabilization Act of 2008</u>	2009	31 December 2009
<u>Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010</u>	2010 – 2011	31 December 2011
<u>American Taxpayer Relief Act of 2012</u>	2012 – 2013	31 December 2013
<u>Tax Increase Prevention Act of 2014</u>	2014	31 December 2014
<u>Consolidated Appropriations Act, 2016</u>	2015 – 2016	31 December 2016
<u>Bipartisan Budget Act of 2018</u>	2017	31 December 2017
<u>Further Consolidated Appropriations Act of 2020</u>	2018 – 2022	31 December 2022
<u>Inflation Reduction Act of 2022</u>	2023 – 2024	31 December 2024

144. The US has demonstrated an established pattern to routinely extend and retroactively reinstate the subsidy to ensure uninterrupted subsidisation of the biodiesel industry. This is shown in Table F.2.1.1.2 below by the nine Acts passed into law by the US Congress that enacted and extended the BTC.
145. The TRA considers the proposed legislation as positive evidence of unambiguous political intentions to reinstate subsidisation in the form of the BTC that forms part of a long-established pattern of legislative measures reinstating the BTC and continuing subsidisation.
146. The same evidence in an identical context was identified during the 2015 expiry review of the transitioned measure, which accurately indicated the continuation of BTC. Even if this specific legislative bill does not come into effect, the continuing proposals for the reinstatement of BTC are positive evidence that this subsidy programme is likely to recur.
147. Other factors currently affecting the likelihood of subsidisation in the US include:



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- a) US trade associations repeated demands for BTC's reinstatement; and
- b) economic pressure for domestic fuel prices to be lowered caused by the conflict in the Middle East.

148. Firstly, the US administration has faced repeated demands for the BTC's reinstatement from US trade associations. NATSO, representing truck stops and travel centers, SIGMA: America's Leading Fuel Marketers, and the National Association of Convenience Stores (NACS) jointly sent a letter to the US Senate dated 10 March 2026 calling for the reinstatement of the BTC¹⁹.

149. The trade associations argued that reinstating the BTC would lower retail fuel prices, because it would incentivise more biodiesel production and allow for blending higher proportions of biodiesel with mineral diesel to offset any price rises of mineral diesel.

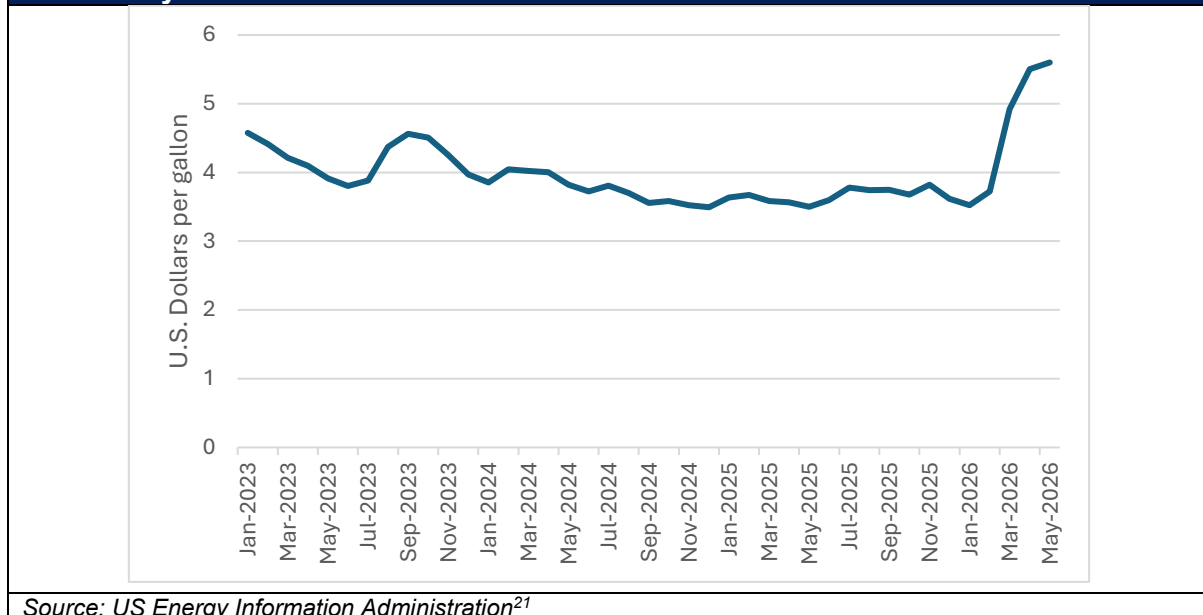
150. Secondly, domestic fuel prices in the US have risen significantly in 2026 due to the conflict in the Middle East between the US and Iran²⁰. It is reported by the US Energy Information Administration that the retail price of US No.2 Diesel has risen to \$5.60 per gallon in May 2026, a 60% increase year-on-year.

¹⁹ [Letter to US Senate from NATSO, SIGMA and NACS](#)

²⁰ [The Independent - Americans have paid an additional \\$59 billion in inflated fuel prices since Trump started his Iran war](#)



Image F.2.1.1.1: US No 2 Diesel Retail Prices (Dollars per Gallon) between January 2023 – May 2026



Source: US Energy Information Administration²¹

151. As there is uncertainty surrounding the end of the conflict between the US and Iran, the US government will be considering multiple options available to it to reduce retail fuel prices.
152. As biodiesel is blended with diesel fuel for retail sale, the price of biodiesel forms a component of the overall price of diesel. As the US trade associations argued within their letter to the US Senate, lowering the price of biodiesel through subsidisation can lead to reducing inflationary price pressures of domestic retail prices of diesel in the US.
153. The two socio-economic factors discussed above in conjunction with the established pattern of extension/retroactively reinstating the BTC and the proposed legislation to reinstate the BTC has led the TRA to conclude that subsidisation of the goods subject to review through the BTC is likely to recur should the countervailing measures expire.

F2.1.2. Biodiesel Credit

154. The biodiesel credit is authorised within Title 26, Section 40A of the US Code, the same subsection that authorises the Biodiesel Mixture Credit.

²¹ [US Energy Information Administration - US No 2 Diesel Retail Prices](#)



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155. The biodiesel credit is a non-refundable income tax credit worth \$1.00 for each gallon of biodiesel that is not a biodiesel mixture with diesel fuel, which is used by the taxpayer as a fuel in a trade or business, or is sold by the taxpayer at retail.
156. For biodiesel producers to claim this credit, they must be acting as either a retailer (putting the neat biodiesel into a consumer's fuel tank) or as an end user (putting the neat biodiesel into their own vehicles).
157. Within Council Regulation (EC) No 598/2009 in 2009, none of the sampled biodiesel producers availed themselves of the biodiesel credit so no subsidy rate was calculated based on this tax credit.
158. During Commission Implementing Regulation (EU) 2015/1519 and the TRA's TS0005 transition review in 2021, this scheme was considered to be a countervailable subsidy as it was a fiscal incentive from the US government, conferring a benefit to the companies that received it and limited to companies in the biodiesel industry.
159. As stated within the TS0005, the Further Consolidated Appropriations Act 2020²² retroactively reinstated this subsidy scheme until 31 December 2022. The biodiesel credit was subsequently extended by the Inflation Reduction Act of 2022 until 31 December 2024.
160. The process of redeeming the biodiesel credit matches that of the BTC, so it was possible for biodiesel producers to claim the biodiesel credit for production of biodiesel in 2024, during the completion of their tax returns in 2025.
161. Although the biodiesel credit expired on 31 December 2024, the proposed legislation (Bill H.R. 3137 and Bill H. R. 8497) that seek to also extend the BTC, also seek to extend the biodiesel credit as both bills propose amending Section 40A(g) of the IRC as such:
- a) Bill H.R. 3137 – “by striking “2024” and inserting “2026”.”
 - b) Bill H.R. 8497 – “by striking “2024” and inserting “2029”.”

²² [Further Consolidated Appropriations Act, 2020, Section 121](#)



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162. The biodiesel credit has been routinely extended and retroactively reinstated in the same manner as the BTC. Also, the other socio-economic factors discussed above in [Section F2.1.1](#) are applicable to the biodiesel credit as well. This has led the TRA to conclude that subsidisation of the goods subject to review through the biodiesel credit is likely to recur should the countervailing measures expire.

F2.1.3. Small Agri-Biodiesel Producer tax credit

163. The Energy Policy Act of 2005²³, enacted 8 August 2005, established the Small Agri-Biodiesel Producer tax credit, which is codified in IRC §38²⁴ and §40A²⁵. The scheme has been repeatedly reinstated with retroactive effect since it began.

164. This subsidy provided a credit of \$0.10 per gallon of agri-biodiesel produced by producers whose production in a taxable year does not exceed 15 million gallons and whose production capacity is less than 60 million gallons per year.

165. The tax credit was found to be countervailable in Council Regulation (EC) No 598/2009, and part of the rationale to maintain the countervailing measures within Commission Implementing Regulation (EU) 2015/1519, and TS0005, the TRA's transition review in 2021.

166. One of the companies sampled in the original case was found to avail itself of the scheme, so was calculated as obtaining subsidies from this scheme of 0.4% during the period of investigation. This is shown in Table C.1 in [Annex C](#).

167. The Small Agri-Biodiesel Producer tax credit was extended until 31 December 2026 by US legislation, the "One Big Beautiful Bill" Act (OBBBA).

168. The OBBBA increased the value of the Small Agri-Biodiesel Producer tax credit to \$0.20 per gallon, effective from 30 June 2025.

169. Taxpayers qualifying for the Small Agri-Biodiesel Producer tax credit can claim the value by completing IRS Form 8864 to claim a §38 general business

²³ [Energy Policy Act of 2005](#)

²⁴ [Title 26 US Code Section 38](#)

²⁵ [Title 26 US Code Section 40A\(b\)\(4\)](#)



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income tax credit, attached to IRS Form 3800²⁶, alongside their Corporation Income Tax Return.

170. The Small Agri-Biodiesel Producer tax credit can be claimed in addition to the Clean Fuel Production Credit (discussed below) for any eligible gallons of fuel.
171. The USTR confirmed that the Small Agri-Biodiesel Producer tax credit was in effect during the POI and is set to expire on 31 December 2026. However, the USTR did not provide information regarding the beneficiaries of this program, stating that the information is non-disclosable pursuant to Title 26 of the US Code §6103 - Confidentiality and disclosure of returns and return information²⁷
172. The USTR states that it believes the benefit provided under this program is likely to be well below *de minimis*²⁸.
173. The TRA considers that any amount of subsidisation is sufficient to conclude that subsidisation is continuing.
174. Therefore, based on the evidence provided within the original EU investigation, and the following expiry reviews, the programme has continued materially unaltered, other than to be doubled in value from \$0.10 per gallon to \$0.20 per gallon effective from 30 June 2025.
175. The tax credit is set to expire on 31 December 2026, but the established pattern of extension/retroactively reinstating the program leads the TRA to find that subsidisation of the goods subject to review through this programme is continuing and likely to continue past the current expiration date.

F2.1.4. Texas Fuel Ethanol and Biodiesel Production Incentive Programme

176. The Texas Fuel Ethanol, Renewable Methane, Biodiesel and Renewable Diesel Production Incentive Program is codified in the Texas Agricultural Code, Title 2, Chapter 16.²⁹

²⁶ [IRS Form 3800](#)

²⁷ [Title 26 US Code §6103](#)

²⁸ [Additional US government comments on anti-subsidy questionnaire, paragraph 12](#)

²⁹ [Chapter 16 of the Texas Agriculture Code](#)



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177. This subsidy entitles a producer that paid a fee of \$0.032 per gallon of biodiesel produced in a registered plant to receive \$0.20 for each gallon of biodiesel produced until the 10th anniversary of the date production from the plant begins³⁰.
178. Within Council Regulation (EC) No 598/2009, the subsidy was found to be countervailable, and one sampled biodiesel producer benefitted from this subsidy during the period of investigation, of which the subsidy rate was calculated as 0.3% for that exporter.
179. As an exporter was found to have benefitted from the subsidy during the period of investigation, the subsidy was countervailed against although it was also found in the original EU investigation that “the Texan Legislature ceased funding the scheme as of the 2008-09 appropriations biennium (September 2007 to August 2009)”³¹.
180. This subsidy was not analysed in the EU’s expiry review Commission Implementing Regulation (EU) 2015/1519, because it was considered to be among those subsidies that either were inactive, had expired before the investigation period or did not provide any benefits to US biodiesel producers during the investigation period.
181. In comparison, the TRA’s TS0005 transition review in 2021 found the subsidy to still be in place and likely to continue.
182. The statutory framework within Texas legislature remains in place for this subsidy, but the US Department of Energy state that funding for the program was discontinued in September 2007³².
183. Additionally, the USTR stated within their questionnaire submission that the program is not operational due to the Texas Legislature passing two bills in 2009 amending Chapter 16, which resulted in conflicting language between fee schedules and grant payout structures. The inconsistencies need to be corrected through the legislative process before the program can be utilised,

³⁰ Ibid.

³¹ [Commission Regulation \(EC\) No 194/2009 paragraph 139](#)

³² [US Department of Energy – Renewable Fuel Production Grants](#)



and without a statutory change, the program will continue to be unfunded and unused. The USTR does not anticipate any changes for this program.

Therefore, no funds have been provided by this subsidy program in the last 15 years.

F2.1.5. Missouri Qualified Biodiesel Producer Incentive Fund

184. The Missouri Qualified Biodiesel Producer Incentive Fund was created in 2002, pursuant to the 'Missouri Revisor of Statutes', section 142.031³³. This program provided monthly grants to qualified Missouri biodiesel producers who were actively engaged in agricultural production for commercial purposes.
185. The grants were available for a maximum of 60 months at a rate of \$0.30 per US gallon for the first 15 million US gallons and \$0.10 per US gallon for the next 15 million US gallons of biodiesel produced each fiscal year from feedstock originating in Missouri, up to \$6 million per producer per fiscal year.
186. The relevant section of the statutes expired on 31 December 2009, but any Missouri producers awarded grants up to this date, remained eligible to receive grants for the remainder of their original 60-month period, so the program effectively stopped awarding grants on 31 December 2015³⁴.
187. Towards the end of the program, funds had been limited or withheld from biodiesel producers, which required \$4 million of payments in 2018 from the state government to clear the backlog of subsidies that were owed to biodiesel producers³⁵.
188. Within Council Regulation (EC) No 598/2009, the subsidy was found to be countervailable, and one sampled biodiesel exporter benefitted from this subsidy, of which the subsidy rate was calculated as 3.8% for that exporter.
189. This subsidy was not analysed in the EU's expiry review Commission Implementing Regulation (EU) 2015/1519, because it was considered to be among those subsidies that either were inactive, had expired before the

³³ [Missouri Revisor of Statutes, Chapter 142.031](#)

³⁴ [US Department of Energy - Biodiesel Production Incentive](#)

³⁵ [The Missouri Times - Missouri fulfills obligation to biodiesel plants](#)



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investigation period or did not provide any benefits to US biodiesel producers during the investigation period.

190. The TRA's transition review TS0005 in 2021 concluded that the program had expired.

191. The USTR confirmed within their questionnaire submission that the program has expired and that no grants were provided during the POI.³⁶

F2.1.6. Washington State Biofuels Production Tax Exemption

192. Within Council Regulation (EC) No 598/2009, the subsidy Washington State Biofuels Production Tax Exemption referred to reductions in the following types of tax for biodiesel producers:

- a) Business and Occupation (B&O) tax
- b) Property tax
- c) Leasehold excise tax

193. Washington State's B&O tax is a gross receipts tax measured on the value of products, gross proceeds of sale, or gross income of a business³⁷.

194. It was found that the B&O tax rate was reduced from 0.484%³⁸ to 0.138%³⁹ of the value of products manufactured for biodiesel producers. The program is established under the Revised Code of Washington (RCW) Chapter 82.04.260(1)(e).

195. The terminology of the legislation specifies the reduced tax rate is for manufacturers of wood biomass fuel, which is defined as "a liquid or gaseous fuel that is produced from lignocellulosic feedstocks, including wood, forest, or field residue and dedicated energy crops, and that does not include wood treated with chemical preservations such as creosote, pentachlorophenol, or copper-chrome-arsenic".

³⁶ [USTR questionnaire submission No.9 Section C2, Question 1 pg. 62](#)

³⁷ [USTR Questionnaire response – Appendix WA – 4 Overview of Business & Occupancy Tax](#)

³⁸ [Revised Code of Washington Chapter 82.04.240](#)

³⁹ [Revised Code of Washington Chapter 82.04.260](#)



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196. Property tax was exempted for biodiesel producers for six years from the date on which the biodiesel manufacturing facility becomes operational. The program is established under the RCW 84.36.640⁴⁰.
197. Leasehold tax was exempted for biodiesel producers for six years from the date on which the biodiesel manufacturing facility becomes operational. The program is established under the RCW 82.29A.135⁴¹
198. The subsidy was countervailed against in Council Regulation (EC) No 598/2009, with one sampled exporter benefitting from it (see Table C.1 in [Annex C](#)).
199. The subsidy rate was calculated based solely on the B&O tax reduction, as no exporters benefitted from the property tax exemption and the benefit availed by one exporter for the leasehold tax exemption was considered to be negligible. The subsidy amount related to the B&O tax reduction expressed as a percentage of the total sales volume of biodiesel in the period of investigation was 0.7%.
200. This subsidy was not analysed in the EU's 2015 expiry review determination, because it was considered to be among those subsidies that either were inactive, had expired before the investigation period or did not provide any benefits to US biodiesel producers during the investigation period. No further information was provided.
201. The TRA's transition review TS0005 stated that this subsidy had previously been countervailed against but concluded that the program had expired. No further information was provided.
202. Research conducted by the TRA contradicts the findings of the previous reviews as various sources^{42, 43} suggest that the B&O tax rate reduction is still in place for biodiesel producers, with no effective expiration date.

⁴⁰ [Revised Code of Washington Chapter 84.36.640](#)

⁴¹ [Revised Code of Washington Chapter 82.29A.135](#)

⁴² [Revised Code of Washington Chapter 82.04.260](#)

⁴³ [Department of Revenue Washington State – Synopsis of tax incentives](#)



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203. It was found by the TRA that the property tax exemption ended on 31 December 2015 and the leasehold tax exemption ended on 31 December 2024, but the countervailing subsidy rate was not based on the benefit conferred from these programs.
204. The USTR allege within their questionnaire submission that the program is not available during the POI⁴⁴, however the supporting documentation of Washington State legislation matches those referred to within this section that show that the preferential B&O tax rate for biodiesel producers is still in place.
205. The USTR specifically state within their comments on alleged state level subsidy programs that “the Washington State property and leasehold tax exemption for biofuels has long since expired...⁴⁵”, but the USTR fail to mention the preferential B&O tax rate available to biodiesel producers.
206. Although previous reviews found that this subsidy program had lapsed, and the USTR also allege that the program was not in place during the POI, based on the TRA’s research and taking specific note of the USTR’s language within their submission, the TRA considers this subsidy program likely to continue as existing legislation (RCW Chapter 82.04.260(1)(e)) states that the preferential tax rate for biodiesel producers is in place and set to be effective until and from 1 January 2034.
207. The subsidy rate calculated from this program within Council Regulation (EC) No 598/2009 was calculated solely based on the preferential B&O tax rate, so the expiration of the property and leasehold tax exemptions does not affect the applied subsidy rate associated with this program.
208. The program is considered to be a countervailable subsidy as it provides a financial contribution by the government of the state of Washington as government revenue that is otherwise due (B&O tax) is foregone or not collected. The difference between the tax liability of a company using this

⁴⁴ [USTR questionnaire submission No.11 Section C2, Question 1, pg. 69](#)

⁴⁵ [Additional US government comments on anti-subsidy questionnaire, paragraph 21](#)



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scheme compared to the tax liability of companies that do not receive a reduced tax rate represents the benefit conferred by the subsidy.

209. The reduced B&O tax rate is specific to manufacturers of wood biomass fuel, which is defined as “a liquid or gaseous fuel that is produced from lignocellulosic feedstocks, including wood, forest, or field residue and dedicated energy crops, and that does not include wood treated with chemical preservations such as creosote, pentachlorophenol, or copper-chrome-arsenic”.
210. It was not possible for the TRA to estimate the benefit of the B&O tax rate as USTR did not provide this data within their questionnaire submission, stating that the program is not operational and that tax information is exempt from disclosure under RCW 84.80.210⁴⁶. The TRA has not received any participation from US exporters either.
211. Therefore, based on the evidence provided within the original EU investigation, the following expiry reviews, and further research conducted for this expiry review, the TRA finds the programme has continued materially unaltered. This is because the subsidy rate calculated within the original investigation is only relevant to the B&O tax reduction that is ongoing.
212. The TRA concludes that subsidisation in the form of the Washington State Biofuels B&O Tax Reduction is continuing.

F2.2. Subsidies found to be countervailable in the 2015 expiry review

F2.2.1. Second Generation Biofuel Producer Credit

213. The Second Generation Biofuel Producer Credit (SGBPC) was originally titled the Credit for Production of Cellulosic biofuel and established by the Food, Conservation, and Energy Act of 2008⁴⁷. The credit is codified under Title 26, Section 40(b)(6) of the US Code⁴⁸.
214. It was a non-refundable income tax credit that could be claimed by eligible producers at a rate of up to \$1.01 per US gallon of qualified second-generation

⁴⁶ [USTR questionnaire submission No.11 Section C4, Question 1 and 3a, pg. 72-73](#)

⁴⁷ [Food, Conservation, and Energy Act of 2008](#)

⁴⁸ [Title 26, Section 40\(b\)\(6\) of the US Code](#)



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biofuel produced. To qualify for the SGBPC, the feedstock used had to be lignocellulosic or hemicellulosic matter available on a renewable basis or any cultivated algae, cyanobacteria, or lemna.

215. The programme was not featured in Council Regulation (EC) No 598/2009, so no subsidy rate was calculated based on this subsidy.
216. The programme was discussed in the EU's expiry review Commission Implementing Regulation (EU) 2015/1519, but was not found to provide benefits to biodiesel producers during the period of investigation as the quantities of eligible biodiesel produced and sold at that time were negligible.
217. Within the TRA's transition review TS0005, it was found likely that the subsidy would continue as it was extended until 1 January 2022 by the Consolidated Appropriations Act, 2021⁴⁹. However, it was found to only be applicable to HVO biodiesel, but not FAME biodiesel.
218. The programme has since expired on 31 December 2024,⁵⁰ so is not applicable during this expiry review's POI. The subsidy program was not featured within the application document for this expiry review, so was not included within the questionnaires for interested parties or contributors to comment on.

F2.2.2. USDA Bioenergy Programme for Advanced Biofuels (BPAB)

219. The USDA Bioenergy Programme for Advanced Biofuels (BPAB)⁵¹, alternatively known as the Advanced Biofuels Payment Program, aims to increase the production of advanced biofuels. The programme is governed by the Code of Federal Regulation (CFR) Part 4288, Subpart B⁵² and is authorised by Title 7 of the US Code §8105⁵³.

⁴⁹ [Consolidated Appropriations Act, 2021](#)

⁵⁰ [IRS Excise fuel incentive credits for businesses](#)

⁵¹ [USDA Advanced Biofuel Payment Program](#)

⁵² [CFR Part 4288, Subpart B – Advanced Biofuel Payment Program General Provisions](#)

⁵³ [Title 7 USC 8105](#)



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220. The OBBBA amended Section 9005(g)(1)(F) of the Farm Security Rural Investment Act of 2002 by extending the BPAB to be in force through fiscal year 2031⁵⁴.
221. Any entity that produces and sells advanced biofuel is eligible to apply for funds under the program. Entities that blend or combine advanced biofuels into a blended biofuel are not eligible.
222. For the producer's advanced biofuel to be eligible, each of the following conditions must be met:
- i. Must meet the definition of advanced biofuel and be produced in a State;
 - ii. Must be a solid, liquid, or gaseous advanced biofuel;
 - iii. Must be a Final Product; and
 - iv. Must be sold as an advanced biofuel through an arm's length transaction to a third party.
223. The goods subject to review meet the above conditions whenever it is sold to a third party, such as being exported to the UK.
224. The amount of available funding from the programme has changed over the years, with \$7 million available in mandatory funding to be divided amongst biofuel producers within each of fiscal years 2019 to 2024. Additionally, \$20 million was available in discretionary funding for each fiscal year between 2019 and 2023.
225. It was announced by the US Secretary of Agriculture on 21 November 2025 that a further \$7 million available to the programme, of which the enrolment period for this funding was between 1 October 2025 and 15 December 2025⁵⁵.
226. Producers are paid on a quarterly basis for the actual quantity of eligible advanced biofuel produced during the quarter, and the payment amount depends on the number of eligible producers, the amount of advanced biofuel produced, and the amount of funds available during the fiscal year. The amount

⁵⁴ [One Big Beautiful Bill Act of 2025, Section 10605](#)

⁵⁵ [USDA – Secretary Rollins Announces Availability of \\$7 million for Advanced Biofuel Production](#)



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of funding to each biodiesel producer is based on the payment provisions provided in Section 4288.131 of the CFR⁵⁶.

227. There are no maximum or minimum payment amounts, but a limitation of the programme is that no more than 5% of funds available in a fiscal year is made available to producers whose refining capacity at their production facilities exceed 150,000,000 gallons per year.

228. The programme was not featured in Council Regulation (EC) No 598/2009, so no subsidy rate was calculated based on this subsidy.

229. During the EU's expiry review Commission Implementing Regulation (EU) 2015/1519, the scheme was considered as a countervailable subsidy by the EU, because it provides a direct grant (financial contribution) from the US government, conferring a benefit to biodiesel producers. It is also specific to biodiesel producers.

230. Within the TRA's transition review TS0005, it was found that the subsidy had been extended to the end of 2023⁵⁷, so the TRA found that it was likely to continue and benefit US biodiesel exporters.

231. The USTR state in their questionnaire submission that biodiesel producers received \$9,289,290 in monetary subsidies during the injury period and POI from the BPAB scheme⁵⁸, as shown in Table F2.2.2.1.

Table F2.2.2.1: BPAB grants to biodiesel producers during the injury period and POI

	Year 1	Year 2	Year 3	POI	Total
BPAB Grants	\$2,634,388	\$2,652,279	\$3,172,389	\$830,235	\$9,289,291

Source: USTR Questionnaire response – Appendix USA – 26, US EIA

232. Within the USTR's comments regarding this expiry review, the USTR state that dividing the total amount of grant funding under the BPAB in the POI across the total production of biodiesel in the US (1,150,000,000 gallons) equates to a value of \$0.0007 per gallon or well below *de minimis*.

⁵⁶ [Section 4288.131 of the CFR](#)

⁵⁷ [Agriculture Improvement Act of 2018 \(Public Law 115-334\), §9005\(2\)\(B\)](#)

⁵⁸ [USTR Questionnaire response – Appendix USA – 26 USDA BPAB Program Beneficiaries](#)



233. The TRA considers that any amount of subsidisation is sufficient to conclude that subsidisation is continuing.

234. In summary, the TRA finds the programme has continued materially unaltered since being found to be a countervailable subsidy within the EU 2015 Expiry Review Determination and the TRA's Transition Review TS0005, and the program has been repeatedly extended, most recently until the end of fiscal year 2031.

235. The TRA concludes that subsidisation in the form of the USDA Bioenergy Programme for Advanced Biofuels is continuing.

F2.2.3. Kansas Qualified Biodiesel Fuel Producer Incentive

236. The Kansas Qualified Biodiesel Producer Incentive Fund, set out in Kansas Statutes Annotated 79-134-155 through 79-34-159⁵⁹, allows qualified Kansas biodiesel producers to be eligible for a production incentive of \$0.30 per US gallon of biodiesel sold.

237. This subsidy was not featured in Council Regulation (EC) No 598/2009, so no subsidy rate was calculated based on this subsidy.

238. The subsidy was found to be countervailable within the EU's expiry review Commission Implementing Regulation (EU) 2015/1519, because it provides a financial contribution in the form of a direct grant from the State of Kansas. The incentive confers a benefit on the companies receiving the grants. The scheme is limited to companies that produce biodiesel and other types of fuel is therefore considered to be specific

239. As set out under Kansas State Legislature 79-34-159, this incentive expired on 1 July 2016⁶⁰. Kansas State Legislature makes no provision for carry over of this incentive.

240. The TRA's transition review TS0005 acknowledged that the subsidy was previously found to be countervailable but has since expired.

⁵⁹ [Kansas Statutes Annotated 79-34-155](#)

⁶⁰ [Kansas Statutes Annotated 79-34-159](#)



241. The USTR also confirmed that the program expired in July 2016.

F2.2.4. Iowa Biodiesel Producers Tax Refund

242. The Iowa Biodiesel Producers Tax Refund programme, established within Section 423.4(9)⁶¹ of the Iowa Code, provides a refund against the sales or use tax imposed upon biodiesel producers. The refund is calculated as \$0.04 per gallon of pure biodiesel produced in Iowa. The tax credit is limited to the first 25 million gallons produced at each facility per calendar year, so the maximum value of tax credits able to be claimed by a single producer is \$1,000,000.
243. The tax refund was enacted in 2011, originally at a value of \$0.03 per gallon and has increased in value and extended multiple times. Most recently in 2022, the credit was increased to the current value of \$0.04 per gallon and extended through to 1 January 2028⁶².
244. This subsidy was not featured in Council Regulation (EC) No 598/2009, so no subsidy rate was calculated based on this subsidy.
245. The subsidy was found to be countervailable within the EU's 2015 expiry review determination as it provides a financial benefit from the State of Iowa in the form of revenue foregone, which confers a benefit to the companies receiving the tax credit. The subsidy is also specific to companies that produce biodiesel.
246. The subsidy also featured within the TRA's transition review TS0005 and was found likely to continue past the expiration date, which at the time was 31 December 2024. This was proved to be true as the programme has since been extended to be available until the end of calendar year 2027.
247. The Iowa Legislative Services Agency provided the value of tax credit redemptions for 2025 at \$4.31 million and forecasted redemptions each year for 2026 to 2030 between \$4.32 million and \$4.36 million⁶³.

⁶¹ [Iowa Code 423.4\(9\)](#)

⁶² [Legislative history of the Iowa Biodiesel Production Tax Credit](#)

⁶³ Ibid.



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248. Iowa biodiesel producers have urged lawmakers to extend the tax credit until the end of 2030 and to increase the value to \$0.05 per gallon⁶⁴, of which proposed legislation (House File 2786⁶⁵) was introduced to the Iowa Legislature to this effect. Additionally, Senate File 2503⁶⁶ was introduced on 1 May 2026 which aims to increase the value of the tax refund credit to \$0.05 per gallon for calendar year 2026, and the bill would apply retroactively to biodiesel produced since 1 January 2026.
249. The USTR's questionnaire submission quoted the Iowa Legislative Services Agency regarding the value of tax credits granted in Iowa. The USTR confirmed that the tax credit was allowed on 196.6 million gallons of biodiesel produced in Iowa in 2024, which equated to a value of \$4.30 million⁶⁷. The USTR state that 2025 data is not yet available, however the source cited provides the value of tax credits for 2025 as an actual value, whereas 2026 to 2030 values are presented as projections.
250. Within the USTR's additional comments to their questionnaire submission, it states that the \$4.3 million in tax credits represents a subsidy program whose benefit is below *de minimis*⁶⁸.
251. Instead, the subsidisation provided by the Iowa Biodiesel Producers Tax Refund shall be incorporated into a holistic assessment of subsidisation across the United States to all biodiesel producers.
252. The USTR also state that the value of tax refunds provided through this program are applicable to producers of FAME and HVO, so the proportion of tax refunds associated with HVO production needs to be accounted for as HVO is out of scope of this review. However, evidence suggest that there are no HVO production facilities within Iowa, as shown by the US Energy Information Administration's map⁶⁹, so all the tax credits provided through this program are associated with FAME production.

⁶⁴ [Advanced Biofuels USA](#)

⁶⁵ [Fiscal Note - House File 2786](#)

⁶⁶ [Senate File 2503](#)

⁶⁷ [USTR questionnaire submission No.12 Section C4, Question 3a, pg. 78](#)

⁶⁸ [Additional US government comments on anti-subsidy questionnaire, paragraph 22](#)

⁶⁹ [US Renewable Diesel Fuel and Other Biofuels Plant Production Capacity](#)



253. For context, the 196.6 million gallons of biodiesel produced in Iowa that benefitted from the tax refunds scheme, as confirmed by the source (Iowa Legislative Services Agency) provided by the USTR, is the equivalent to 744 million litres. RTFO data shows that total biodiesel supply to the UK in 2024 was 841 million litres⁷⁰, so the subsidised production in Iowa alone would account for 88% of the UK's total biodiesel consumption in 2024.
254. Based on the evidence that this program was found to be a countervailable subsidy in previous expiry reviews regarding the goods subject to review and the evidence submitted of tax credits redeemed during the POI, the TRA finds that the programme has continued materially unaltered, other than to be increased in value from \$0.03 per gallon to \$0.04 per gallon, since 2022, with active proposals to increase the credit further to \$0.05 per gallon.

F2.2.5. Kentucky Biodiesel Production Tax Credit

255. The Kentucky Biodiesel Tax Credit is a nonrefundable credit that may be applied against individual or corporation income tax and against the limited liability entity tax imposed by the Kentucky Department of Revenue. The programme is governed by the Kentucky Revised Statutes (KRS) Chapter 141.422 to 141.424, and KRS 141.425⁷¹⁷².
256. The credit for any taxpayer that produces and/or blends biodiesel is equal to \$1 per gallon of produced or blended biodiesel.
257. The annual cap of tax credits available to biodiesel, renewable diesel, and renewable chemical production producers is \$10,000,000.
258. If the total amount of approved credit for all biodiesel producers, biodiesel blenders, renewable diesel producers, and renewable chemical producers exceeds the annual credit cap, the department shall determine the amount of credit each biodiesel producer, biodiesel blender, renewable diesel producer, and renewable chemical producer receives by multiplying the annual credit cap by a fraction, the numerator of which is the amount of approved credit for each

⁷⁰ [Renewable Transport Fuel Obligation \(RTFO\) statistics 2024: Final report](#)

⁷¹ [Kentucky Revised Statutes - Chapter 141](#)

⁷² [Kentucky Department of Revenue – Biodiesel Tax Credit](#)



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producer and the denominator of which is the total approved credit for all producers.

259. For a biodiesel producer to be eligible for this programme, they need to manufacture biodiesel at a location within the state of Kentucky.
260. The USTR explained within their questionnaire submission⁷³ that the application process to claim the tax credit involved biodiesel producers electronically submitting Schedule BIO – Application and Credit Certificate of Income Tax/LLET Credit Biodiesel⁷⁴ to the Department of Revenue no later than the fifteenth day of the first month following the close of the preceding calendar year.
261. This subsidy was not featured in Council Regulation (EC) No 598/2009, so no subsidy rate was calculated based on this subsidy.
262. The subsidy was found to be countervailable within the EU's 2015 expiry review determination as it provides a financial benefit from the State of Kentucky in the form of revenue foregone, which confers a benefit to the companies receiving the tax credit. The subsidy is also specific to companies that produce biodiesel and other types of fuel within the State of Kentucky.
263. Within the TRA's transition review TS0005, it was found likely that the subsidy would continue as it has a history of extensions.
264. The USTR confirmed that the program is still in force, providing up to \$10 million in support to biodiesel blenders and biodiesel, renewable diesel, and renewable chemical producers in Kentucky annually, however the USTR did not provide any data to the TRA regarding beneficiaries of this program due to Kentucky's Confidentiality of Taxpayer Information Statute, KRS 131.190⁷⁵, that prohibits the Department of Revenue from divulging taxpayer information.
265. The USTR commented that the \$10 million value acts as a maximum that this subsidy can provide in benefits and that the TRA would need to account for the

⁷³ [USTR questionnaire submission No.13 Section C3, pg. 81](#)

⁷⁴ [Schedule BIO, Application and Credit Certificate of Income Tax/LLET Credit Biodiesel](#)

⁷⁵ [KRS 131.190](#)



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proportion associated with biodiesel production as opposed to other types of producers that the credit limit is applicable to⁷⁶.

266. Data provided by the US Energy Information Administration⁷⁷ suggests that there are no renewable diesel plants in Kentucky, which removes any volume of renewable diesel production that this tax credit can be applied to, whereas there are two operational biodiesel production plants in Kentucky with a combined annual capacity of 65 million gallons per year⁷⁸.

267. The USTR confirmed that no changes are anticipated for this tax credit, so based on the evidence that this program was found to be a countervailable subsidy in previous expiry reviews regarding the goods subject to review and that the program is ongoing, the TRA finds that the programme has continued materially unaltered.

268. The TRA therefore includes the Kentucky Biodiesel Tax Credit within their determination that the countervailing measures should be maintained.

F2.2.6. Florida Biofuels Investment Tax Credit

269. The Florida Biofuels Investment Tax Credit provides an income tax credit for 75% of all capital, operation, maintenance, and research and development costs incurred in connection with an investment in the production, storage, and distribution of biodiesel, ethanol, or other renewable fuel in the state, up to \$1 million annually per taxpayer and \$10 million annually for all taxpayers combined.⁷⁹

270. As set out under 2016 Florida Statutes, Title XIV, Chapter 220, Section 192⁸⁰, “Credits may be used in tax years beginning January 1, 2013, and ending December 31, 2016, after which the credit shall expire. If the credit is not fully used in any one tax year because of insufficient tax liability on the part of the corporation, the unused amount may be carried forward and used in tax years

⁷⁶ [Additional US government comments on anti-subsidy questionnaire, paragraph 23](#)

⁷⁷ [US Renewable Diesel Fuel and Other Biofuels Plant Production Capacity](#)

⁷⁸ [US Biodiesel Plant Production Capacity](#)

⁷⁹ [Alternative Fuels Data Center: Biofuels Investment Tax Credit](#)

⁸⁰ [Chapter 220 Section 192 - 2016 Florida Statutes - The Florida Senate](#)



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beginning January 1, 2013, and ending December 31, 2018, after which the credit carryover expires and may not be used.”

271. This subsidy was not featured in Council Regulation (EC) No 598/2009 as it was not enacted, so no subsidy rate was calculated based on this subsidy.
272. The subsidy was found to be countervailable within the EU’s 2015 expiry review determination, as it provides a financial benefit from the State of Florida in the form of revenue foregone, which confers a benefit to the companies receiving the tax credit. The subsidy is also specific to companies that produce biodiesel and other types of fuel.
273. The TRA’s transition review TS0005 stated that it was not considered as the subsidy had expired. This was seen in the legislation that any benefit could only be carried forward until 31 December 2018.
274. The subsidy program was not featured within the application document for this expiry review, so was not included within the questionnaires for interested parties or contributors to comment on.

F3. Newly alleged subsidies within the application

275. The application identifies twenty-two further subsidy programmes that may provide subsidisation to the goods subject to review (5 Federal and 17 State schemes).
276. The USTR provided information of an additional state subsidy program, the Missouri Biodiesel Producer Tax Credit, that was not included in the application. This program is also discussed within this section.
277. The section is divided between firstly discussing the five newly alleged Federal schemes in [Section F3.1](#), followed by the newly alleged subsidy schemes based in States where biodiesel production is known to occur in [Section F3.2](#). [Section F3.3](#) discusses the newly alleged subsidy schemes applicable to States where there are no known operational biodiesel production facilities present.
278. When any newly alleged subsidies are found likely to provide ongoing subsidisation or that subsidisation through the program is likely to recur, the



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TRA has conducted a “close-nexus” test to ascertain whether the new subsidies are sufficiently similar to the subsidisation of the goods subject to review found in previous investigations and reviews.

F3.1. Federal schemes

F3.1.1. Clean Fuel Production Credit

279. In order to establish whether the CFPC is a countervailable subsidy, the TRA considers whether the tax credits provided by the CFPC constitute a financial contribution by a foreign authority, which confers a benefit to the companies' production, manufacture, or exportation of goods, and if the subsidy is “specific”.

Financial contribution by a foreign authority

280. The CFPC was introduced to the US Congress by Section 13704 of the Inflation Reduction Act⁸¹ (IRA) of 2022 and has been amended in the “One Big Beautiful Bill” Act (OBBBA), enacted in July 2025⁸².

281. Section 13704(c) established that the effective date of the CFPC “*shall apply to transportation fuel produced after December 31, 2024*”, so came into effect on 1 January 2025.

282. As described by the US Congressional Research Service⁸³: “*The CFPC, in effect, consolidates and replaces several fuel-related credits that expired at the end of 2024, including credits for biodiesel, biodiesel mixtures, agri-biodiesel, renewable diesel, second-generation biofuel, mid-level ethanol blends, sustainable aviation fuel, alternative fuels, and alternative fuels mixtures*”.

283. The tax credits replaced and consolidated by the CFPC were the Biodiesel Credit, Biodiesel Mixture Credit (commonly known as the Blenders Tax Credit (BTC)), Alternative Fuel Excise Tax Credit, Alternative Fuel Mixture Excise Tax

⁸¹ [Inflation Reduction Act of 2022](#)

⁸² [One Big Beautiful Bill Act of 2025](#)

⁸³ [Congressional Research Service - The Section 45Z Clean Fuel Production Credit](#)



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Credit, Sustainable Aviation Fuel (SAF) Tax Credit, Second Generation Biofuel
Producer Tax Credit.

284. It is the TRA's view that the CFPC was designed to follow the BTC immediately, by being operational the day after the BTC expired, so that the relevant clean fuel producing industries continued to receive government support by the replacement subsidy.
285. The Inflation Reduction Act established that the CFPC was initially in place until 31 December 2027 but was extended by the OBBBA to expire on 31 December 2029.
286. During 2025, the CFPC provided a tax credit of up to \$1.00 per gallon of biodiesel (FAME or HVO) produced or sold by US producers, and \$1.75 for each gallon of SAF produced. From the 31 December 2025 onwards, the OBBBA reduced SAF's available tax credit to match the maximum \$1.00 per gallon rate of biodiesel.
287. Within their questionnaire submission, the USTR confirmed that the CFPC can be claimed in the form of a §38 general business income tax credit, claimed by completing IRS Form 7218⁸⁴, attached to IRS Form 3800 alongside their annual income tax return.
288. Producers must meet the following criteria to be eligible to claim the CFPC:
- a) Producers must be registered with the IRS.
 - b) Production facilities must be located in the United States or its possessions⁸⁵.
 - c) Fuel produced must have lifecycle emissions of no more than 50 kilograms of CO₂ or CO₂ equivalent per 1 million British Thermal Units (mmBTU).
 - d) Fuel must be deemed suitable for use as a fuel in a highway vehicle or aircraft.

⁸⁴ [IRS Form 7218](#)

⁸⁵ Possessions include Puerto Rico, Guam, the US Virgin Islands, and other territories.



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- e) The fuel must be sold to "unrelated persons" as defined by IRC Section 52(b)⁸⁶.

289. The OBBBA introduced the restriction that to claim the CFPC from 1 January 2026 onwards, the fuels must exclusively be derived from feedstocks grown or produced in the US, Mexico or Canada.
290. Proposed regulations issued by the IRS and the Department of the Treasury on 3 February 2026 adopts a broader "look-through" rule for sales made through related intermediaries, so that *"a taxpayer...is treated as selling fuel to an unrelated person if a related person sells the fuel to the unrelated person."*⁸⁷
291. The above clarification allows for biodiesel (FAME and HVO) and SAF producers to claim the CFPC against sales of fuel that are initially made to related intermediaries, before the fuel is sold again to unrelated parties, such as a fuel retail operator or a final consumer.
292. Taxpayers are able to rely on the proposed regulations until the finalised regulations are published in the Federal Register. The finalised regulations are set to be established following a public hearing on the 28 May 2026 to address comments received regarding the proposed regulations.
293. As the proposed regulations were published at the beginning of 2026, there was uncertainty regarding the application of the CFPC in 2025. However, as the CFPC is claimed as a general income tax credit alongside a company's end-of-year tax returns, it is believed that biodiesel and SAF producers were able to follow the proposed regulations to claim the CFPC for production in 2025.
294. As stated previously, the maximum tax credit available to biodiesel producers is \$1.00 per gallon. The value of tax credit able to be claimed by each producer is based on three factors:

⁸⁶ All employees... under common control shall be treated as employed by a single employer.

⁸⁷ [IRS and Department of the Treasury Proposed Regulations – Explanation of Provisions, II Definitions, Section H Qualified Sale](#)



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- The producer meets **wage requirements** for labourers and mechanics employed on the construction, alteration, or repair of a plant, for the type of work performed in the geographic area of the facility.
- The producer meets **apprenticeship requirements** regarding the number of apprentices employed, the ratio of apprentices to other workers, and the number of work hours completed by apprentices dedicated to the construction, alteration, or repair of a plant.
- An **emissions factor** based on the life-cycle emissions of the feedstocks input into the biodiesel. The emissions factor is calculated as the proportion below the 50kg CO₂e per mmBTU threshold that all fuels must meet to be eligible for the tax credit. The calculation is as such:

$$\begin{aligned} \text{Emissions factor} &= \frac{50\text{kg CO}_2\text{e per mmBTU} - \text{Fuel kg CO}_2\text{e per mmBTU}}{50\text{kg CO}_2\text{e per mmBTU}} \\ &= \frac{50 - 10}{50} = 0.8 \end{aligned}$$

Prevailing Wage & Apprenticeship (PWA) Requirements

295. These PWA requirements apply to ten clean energy tax incentives, one of which is the CFPC.⁸⁸ For the CFPC, facilities can be awarded an alternative amount of benefit.

296. This alternative amount allows an increase of five times the amount the companies would have otherwise received. For the CFPC, this increase would be from a base amount of \$0.20 per gallon to the alternative maximum amount of \$1.00 per gallon, which is then multiplied by the emissions factor.

297. Title 26, Section 45Z, which governs the CFPC, outlines an addendum to a facility's requirements to qualify for the increase in tax credit or tax reduction. Section 45Z clarifies that facilities placed in service before 1 January 2025 are not subject to prevailing wage requirements for the construction of such a

⁸⁸ [Prevailing wage and apprenticeship requirements | Internal Revenue Service](#)



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facility and that prevailing wage requirements for labour on alteration or repair only apply to any taxable year beginning after 31 December 2024.

Emissions Factor Calculation

298. The emissions rates of the clean transportation fuels able to claim the CFPC, are determined by the 45ZCF-GREET model, which is published by the US Department of Energy⁸⁹. The model assesses the environmental impacts associated with fuels across the various stages of the supply chain. The model is available to be downloaded from the Department of Energy website for companies to input their fuel pathways and primary feedstocks.
299. The emissions factor is based on using “well-to-wheels” emissions to calculate the lifecycle greenhouse gas (GHG) emissions for all stages of fuel production⁹⁰, expressed in CO₂e per mmBTU, based on the feedstock used to produce the fuel.
300. The legislation regarding the calculation of the emissions rates was amended by the OBBBA to exclude emissions attributed to indirect land use change (ILUC). This amendment was effective from 1 January 2026, but between 1 January 2025 and 31 December 2025, ILUC emissions were factored into the emissions rates of each feedstock.
301. ILUC GHG emissions are generated when land use is converted into producing biofuel crops, such as clearing grasslands or forests. It has been commented that this change in policy will likely reduce the emissions rates of land-intensive feedstocks, such as soybean oil-based biodiesel, and therefore these biofuels will qualify for greater CFPC tax credits⁹¹.
302. Additionally, the CFPC tax credit is inflation adjusted for calendar years after 2024. The inflation adjustment is applied to the maximum CFPC tax credit value. The inflation adjustment factor of 1.0611 (6.11% inflation) for 2025 was

⁸⁹ [45ZCF-GREET model](#)

⁹⁰ [Holland & Knight - Questions and Answers: Initial Section 45Z Clean Fuel PTC Guidance](#)

⁹¹ [Clean Air Task Force - H.R. 1 expands 45Z clean fuel production credit for conventional biofuels while cutting sustainable aviation fuel tax credit](#)



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published in Notice 2025-37⁹² by the IRS in July 2025, so the effective maximum credit available to biodiesel producers for 2025 was increased to \$1.06.

303. The TRA has estimated the likely rates of CFPC tax credit claimable for a gallon of FAME biodiesel produced from the various North American sourced feedstocks between 2025 and 2029 based on public data. The table below factors in all relevant legislation regarding excluding ILUC GHG emissions from 2026 onwards and applying the inflation adjustment factor.

Table F.3.1.1.1: Annual CFPC credit for FAME biodiesel based on feedstock used as main input

Type of feedstock	Year				
	2025 ¹	2026 ²	2027 ²	2028 ²	2029 ²
Soybean Oil	\$0.32	\$0.64	\$0.68	\$0.72	\$0.76
Canola Oil	\$0.00	\$0.32	\$0.34	\$0.36	\$0.38
Used Cooking Oil	\$0.74	\$0.79	\$0.83	\$0.88	\$0.94
Tallow	\$0.74	\$0.79	\$0.83	\$0.88	\$0.94
Distiller's Corn Oil	\$0.85	\$0.90	\$0.96	\$1.02	\$1.08
Weighted average³	\$0.58	\$0.65	\$0.69	\$0.74	\$0.78

1 Argus data

2 Estimates based on Argus 2025 inflation adjusted values and Argus 2026 non-inflation adjusted values

3 Based on US biofeedstock mix presented by Argus

304. The table shows that the estimated benefit from the CFPC for biodiesel ranged between \$0.00 and \$0.85 per gallon in 2025.

305. The case team has estimated the weighted average value of the CFPC for biodiesel, based on the North American bio feedstock mix presented by Argus

⁹² [Notice 2025-37](#) – pg.199, Section 3 shows the calculation of the Section 45Z inflation adjustment factor for non-SAF transportation fuel



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Media⁹³. Argus Media modelled the bio feedstock mix for 2025 and 2026, and the 2026 mix has been applied to subsequent years.

306. The weighted average value for CFPC per gallon of biodiesel produced in 2025 was estimated at \$0.58 per gallon.
307. Due to the removal of ILUC GHG emissions from the emissions factor calculations from 2026 onwards, the estimated value of the CFPC for biodiesel produced from soybean oil and canola oil significantly increases between 2025 and 2026. For soybean oil derived biodiesel, this is from \$0.32 per gallon to \$0.64 per gallon. Canola oil derived biodiesel did not qualify for the CFPC in 2025 as the estimated GHG emissions were above the threshold, but in 2026, it is expected to generate tax credits worth \$0.32 per gallon.
308. The weighted average value of the CFPC for biodiesel production increases from \$0.58 in 2025 to \$0.78 in 2029, due to the removal of the ILUC GHG emissions and the application of the inflation adjustment factor each year.

Benefit conferred

309. This expiry review has not received any participation from US exporters whilst within the USTR's questionnaire submission, it stated that the information regarding beneficiaries of the CFPC is non-disclosable.
310. Additionally, the USTR stated that "the 2025 benefit information is not available at this time because taxpayers generally file for 2025 income tax credits in 2026 and the filings have not yet been made."⁹⁴
311. The CFPC is limited by the taxpayer's income tax liability. Under this program, if a producer does not have enough tax liability to take advantage of their clean fuel production tax credits, they may carry them forward to future tax years or transfer their credits to unrelated taxpayers (monetizing the tax credit by sale to a third party).

⁹³ Argus Media Webinar - Why 2026 will be a year of change for US renewable diesel markets. Link not provided as access was granted via Argus subscription

⁹⁴ [USTR questionnaire submission, Question 3a, pg. 30](#)



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312. Seaboard Energy, a biodiesel producer with production plants in Oklahoma and Missouri, state in their 2025 financial accounts that:

*"Both the production tax credit and the federal blender's credit result in non-taxable income. Associated with the production tax credits, Seaboard recognized as non-taxable income the offset to cost of sales of \$66 million for the year ended December 31, 2025."*⁹⁵

313. The above statement demonstrates that Seaboard Energy accounted for the BTC and CFPC in the same way as non-taxable income used to offset cost of sales. Furthermore, the statement confirms benefit conferred by the CFPC to the value of \$66 million in 2025.

314. Archer Daniels Midland (ADM) Company, a biodiesel producer with production plants in Missouri and North Dakota, state in their 2025 financial accounts that:

*"For the year ended December 31, 2025, the Company did not generate significant 45Z credits. The Company estimates that the total benefits available under 45Z will be higher in future periods primarily due to changes enacted in the OBBBA."*⁹⁶

315. Although the value of CFPC redeemed is not stated, it is clear to see that ADM did generate CFPC credits, and that ADM supports the TRA's analysis that subsidisation through the CFPC is estimated to be greater in 2026 than 2025.

316. There is evidence that clean transportation fuel, including biodiesel, producers have monetised the benefit of the CFPC by selling their credits to third parties during 2025 to improve their cash generation^{97,98,99}.

317. Gevo North Dakota sold their CFPC tax credits for \$52 million during 2025, Green Plains Renewable Energy sold their tax credits for between \$40 - \$50

⁹⁵ [Seaboard Energy Annual SEC filings for 2025, pg. 51](#)

⁹⁶ [Archer Daniels Midland Company Annual SEC filings for 2025, pg. 30](#)

⁹⁷ [Gevo North Dakota Sells Its Remaining 2025 45Z Production Tax Credits for \\$30 Million, Bringing the Contracted Total for the Year to \\$52 Million](#)

⁹⁸ [Darling Ingredients Inc. Reports Fourth Quarter and Fiscal Year 2025 Results](#)

⁹⁹ [Vinson & Elkins – Green Plains Enters into Agreement with Freeport Commodities to Monetize 45Z Tax Credits](#)



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million whilst Darling Ingredients monetised \$255 million of their tax credits out of the total \$285 million generated during 2025.

318. The US Joint Committee on Taxation projects \$33.1 billion in CFPC tax credits will be claimed between 2025 and 2029¹⁰⁰.

319. The table below is a breakdown of how the \$33.1 billion is set across the subsidy's expected life span, with \$2.1 billion for 2025 increasing to \$5.1 billion in 2026, with \$10.6 billion in its final year.

Table F.3.1.1.2: Estimates of Federal Tax Expenditures for particular programs during fiscal years 2025 – 2029

Function	Corporations					Individuals					Total
	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029	2025-29
Credits for alternative technology vehicles:											
Clean vehicle credit [3].....	---	---	---	---	---	3.5	---	---	---	---	3.5
Credit for qualified commercial clean vehicles.....	2.1	1.0	0.6	0.5	0.5	---	---	---	---	---	4.8
Credit for previously owned plug-in electric vehicles [3].....	---	---	---	---	---	0.6	---	---	---	---	0.6
Credit for production of clean hydrogen [3].....	[2]	[2]	0.1	0.1	0.1	[2]	[2]	[2]	[2]	[2]	0.4
Clean fuel production [3].....	2.1	5.1	6.6	8.6	10.6	---	[2]	[2]	[2]	[2]	33.1

Source: US Joint Committee on Taxation

320. The above evidence shows that subsidisation through the CFPC to the goods subject to review was realised during the POI and as the program is in place until 2029, subsidisation of the goods subject to review is likely to continue.

321. As a federal government agency, the IRS constitutes a foreign authority, within the meaning of paragraph 3(4) of Schedule 4 to the Act.

322. The TRA considered whether the financial contribution by a foreign authority conferred a benefit in accordance with regulation 21 of the Regulations.

323. The TRA considers that the CFPC reduces the tax liability of a company, increasing resources available to it. The difference between the tax liability with and without the tax credit constitutes the benefit conferred by the programme, in accordance with regulation 21(1) of the Regulations.

Specificity

¹⁰⁰ [Joint Committee on Taxation – Estimates Of Federal Tax Expenditures For Fiscal Years 2025-2029](#)



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324. The TRA considered whether the CFPC under Section 13704 of the Inflation Reduction Act (IRA) of 2022 is specific, in accordance with regulation 22 of the Regulations.
325. We consider that the legal provisions provide evidence that the provision of the CFPC is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, which include producers of low-carbon transportation fuels, including SAF, renewable diesel, ethanol, biodiesel, and renewable natural gas in the US.
326. The CFPC requires registration via the IRS in order to be eligible, and the additional criteria for eligibility is covered by a request for evidence of the specific fuel, carbon intensity saving, feedstock and other environmental factors when claiming the subsidy. Eligibility is not automatic. The conditions and criteria for the subsidy program are published by the IRS, and while there is some clarification on the criteria that is currently under review, the process for the publication of the criteria is clear. The TRA therefore concludes that the CFPC falls within the requirements of regulation 22(4):
- a) whether the foreign authority establishes objective criteria or conditions governing the eligibility for and the amount of the subsidy – Registration with the IRS, and filing detailed returns providing evidence of the fuel produced, conditions met, and assessment of the level of subsidy claimed based on the criteria.
 - b) whether the criteria or conditions are clear and verifiable – The IRS published criteria for the subsidy scheme, and update the terms and conditions through their web space. The IRS requires data to be retained so it can be verified, therefore the information must be verifiable.
 - c) whether the terms of the subsidy are strictly adhered to – The terms and conditions, and rules are checked through the body running the scheme, the IRS, and monitored through tax form filings.
 - d) whether eligibility for the subsidy is automatic – Eligibility for the CFPC is not automatic as it requires businesses to register with the IRS as a



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taxpayer beforehand and produce specific goods, namely low-carbon transportation fuels, such as biodiesel (FAME), renewable diesel (also known as HVO), SAF, ethanol and renewable natural gas, at facilities in the USA. – and

- e) any other factors it considers relevant – no other factors to be considered.

327. The CFPC is limited therefore to “PRODUCERS” of certain “LOW-CARBON TRANSPORTATION FUELS”. The case team determine that the specificity of the program is sufficient to meet the with regulation 22(2)(a) of the Regulations.

Conclusion on whether the CFPC is a countervailable subsidy

328. As a federal government agency, the IRS constitutes a foreign authority, within the meaning of paragraph 3(4) of Schedule 4 to the Act.

329. The TRA considers that the CFPC represents a financial contribution in the form of revenue foregone by a foreign authority, the IRS.

330. The tax credits provided by this program reduces the tax rate paid by a biodiesel producer, increasing the resources available to it. The difference between the tax credit and the tax that would be paid by companies not utilising the tax credit, constitutes the benefit conferred by the programme, in accordance with regulation 21(1) of the Regulations.

331. The TRA considers that the legal provisions provide evidence that the provision of the tax credit is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, producers of low-carbon transportation fuels, including SAF, renewable diesel, ethanol, biodiesel, and renewable natural gas in the US.

332. The TRA concludes that the CFPC is a countervailable subsidy that confers a benefit on biodiesel producers. It is expected to continue to provide ongoing subsidisation until, at least, the current expiration date of the program on 31 December 2029.

Sufficiently close nexus between this subsidy and previous subsidisation



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333. In order to include the CFPC within the subsidy likelihood assessment, the TRA considers whether the CFPC demonstrates a sufficiently close nexus to previously included subsidies within Council Regulation (EC) No 598/2009, Commission Implementing Regulation (EU) 2015/1519 and TS0005.

334. The TRA believes the CFPC demonstrates a sufficiently close nexus to the BTC, because:

- a) Both subsidies were provided by the same WTO Member, the United States of America
- b) The beneficiaries of the subsidies are similar as biodiesel producers are able to claim both subsidies. The beneficiaries of the BTC were “blenders” of biodiesel and diesel fuel to create a qualified biodiesel mixture¹⁰¹, whereas the beneficiaries of the CFPC are “producers” of low-emission transportation fuels, which includes biodiesel. Although there is a difference in the terminology of recipients between “blenders” and “producers”, the beneficiaries are the same in respect of biodiesel production, e.g. a tax credit granted to producers of biodiesel.
- c) Both subsidies relate to the goods subject to review
- d) The subsidies are of the same nature in the form of credits to be redeemed against firms’ tax liability. Both the BTC and CFPC could be claimed in the form of a §38 general business income tax credit, claimed by attaching relevant forms to their annual income tax return. The BTC could also have been claimed as a quarterly excise tax credit, but again against their tax liability due to the IRS (IRS).
- e) The subsidies are provided by the same granting authority, the IRS.
- f) The CFPC has for all purposes replaced the BTC. The US Congressional Research Service described the CFPC as “...in effect, consolidates and replaces several fuel-related credits that expired at the end of 2024, including credits for biodiesel, biodiesel mixtures, agri-biodiesel,

¹⁰¹ [Title 26 USC §40A](#)



renewable diesel, second-generation biofuel, mid-level ethanol blends, sustainable aviation fuel, alternative fuels, and alternative fuels mixtures”.

The tax credits replaced and consolidated by the CFPC were the Biodiesel Credit, Biodiesel Mixture Credit (commonly known as the Blenders Tax Credit (BTC)), Alternative Fuel Excise Tax Credit, Alternative Fuel Mixture Excise Tax Credit, Sustainable Aviation Fuel Tax Credit, Second Generation Biofuel Producer Tax Credit.

As the CFPC came into effect the day after the BTC expired, it is the TRA’s view that the CFPC was designed to ensure that the relevant clean fuel producing industries continued to receive ongoing subsidisation with no break in support.

335. The TRA concludes that there is a sufficiently close nexus between the CFPC and the previously considered subsidies, specifically the BTC.

336. Therefore, the CFPC has been found to be a countervailable subsidy, that is likely to provide ongoing subsidisation and that it demonstrates a sufficiently close nexus to previously considered subsidies.

F3.1.2. Advanced Research Projects Agency-Energy (ARPA-E)

337. The US Department of Energy's Advanced Research Projects Agency-Energy (ARPA-E) was established by the America COMPETES Act of 2007 (Public Law 110–69), as amended¹⁰² to fund and direct the research and development of advanced energy technologies¹⁰³.

338. ARPA-E is authorised under Title 42, Chapter 149, Subchapter XVII, Section 16538 - Advanced Research Projects Agency-Energy of the US Code¹⁰⁴.

339. The goals of ARPA-E, set out in Title 42, Section 16538(c) of the US code are:

- a) to enhance the economic and energy security of the United States through the development of energy technologies that —

¹⁰² [America COMPETES Act of 2007](#)

¹⁰³ [ARPA-E History](#)

¹⁰⁴ [Title 42 USC Chapter 149, Subchapter XVII, §16538](#)



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- i. reduce imports of energy from foreign sources;
 - ii. reduce energy-related emissions, including greenhouse gases;
 - iii. improve the energy efficiency of all economic sectors;
 - iv. provide transformative solutions to improve the management, clean-up, and disposal of radioactive waste and spent nuclear fuel; and
 - v. improve the resilience, reliability, and security of infrastructure to produce, deliver, and store energy; and
- b) to ensure that the United States maintains a technological lead in developing and deploying advanced energy technologies.

340. The Energy Transformation Acceleration Fund, which is established in the Treasury of the US, is administered by the Director of ARPA-E. Annual funding for the Energy Transformation Acceleration Fund during the injury period and POI was:

- a) \$500 million for fiscal year 2022
- b) \$575 million for fiscal year 2023
- c) \$662 million for fiscal year 2024
- d) \$761 million for fiscal year 2025

341. The CHIPS and Science Act of 2022 provided additional funding for ARPA-E of \$1,200,852,898 for the period of fiscal years 2023 through 2026¹⁰⁵.

342. ARPA-E has proposed a budget of \$200 million for fiscal year 2026, of which \$160 million is set to be dedicated to funding projects¹⁰⁶.

343. ARPA-E provides funding in the form of grants, contracts, cooperative agreements, cash prizes to institutions of higher education, companies, research foundations, trade and industry research collaborations, or consortia

¹⁰⁵ [CHIPS Act of 2022, Pub. L. No. 117-167, tit. VI, §10771\(7\) \(H.R. 4346\)](#)

¹⁰⁶ [ARPA-E FY 2026 Budget](#)



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of such entities. This is to achieve the goals previously stated by targeted acceleration of:

- a) novel early-stage research with possible technology applications;
- b) development of techniques, processes, and technologies, and related testing and evaluation;
- c) research and development of advanced manufacturing process and technologies for the domestic manufacturing of novel energy technologies; and
- d) coordination with nongovernmental entities for demonstration of technologies and research applications to facilitate technology transfer.

344. The USTR within their questionnaire submission explained that ARPA-E issues available funding opportunities through notices of funding opportunities (NOFO). Each NOFO establishes separate criteria for applying for the funding and review procedures for the funding provided.

345. The Applicant identified one of ARPA-E's NOFOs from 2020-21 named the Energy and Carbon Optimized Synthesis for the Bioeconomy (ECOSYNBio) program. The USTR explained in their submission that this program sought to establish new technologies to significantly improve the carbon efficiency of bioconversion platforms through the accommodation of external reducing equivalents.

346. There is evidence that funding was granted to a project supporting the production processes of biodiesel¹⁰⁷¹⁰⁸ by the ECOSYNBio program between September 2021 and December 2023. However, the USTR states that from this funding, the recipients did not produce any commercial quantities of biodiesel.

347. The ARPA-E website states that there are eight active projects worth over \$24 million in funding within the biofuels research area of the programme¹⁰⁹. This

¹⁰⁷ [ARPA-E funding of National Renewable Energy Laboratory \(NREL\)](#)

¹⁰⁸ [ARPA-E announcement of funded projects](#)

¹⁰⁹ [ARPA-E active biofuel projects](#)



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funding was granted to national laboratories, universities and private companies.

348. The most recent NOFO is titled “Plant Engineering to Revolutionize Sustainable Energy Production and Heighten Opportunities for Novel Efficiency” (PERSEPHONE). The program’s goal “is to develop disruptive new technologies for bioenergy crop genetic engineering... Agriculture also could revolutionize the energy sector in other ways, such as providing precursors for chemicals and materials that are currently derived from petroleum. However, bioenergy crops may not maintain their current utility, much less achieve their potential, without transformative advances in tools to engineer them. Genetic engineering is an essential strategy to realize US bioenergy potential and security.”¹¹⁰
349. The full application submission deadline for this NOFO was 4 March 2025 and the period to view full application reviewer comments was between 26 May 2026 and 1 June 2026, therefore the granting period of funding will follow this.
350. The funding opportunity aims to create high-performing tools for the genetic engineering of bioenergy crops. The program can provide downstream energy impacts from the tools created, but the TRA does not consider the program to provide direct subsidisation of the goods subject to review.
351. Furthermore, the previous evidence of subsidisation of the goods subject to review showed that the program did not lead to the production of any commercial quantities of biodiesel.

F3.1.3. Alternative Fuel Vehicle Refueling Property Credit

352. The Alternative Fuel Vehicle Refueling Property Credit provides an income tax credit for installing qualified refuelling or recharging infrastructure for alternative fuel vehicles. The credit is authorised under Title 26, Section 30C of the US Code¹¹¹.

¹¹⁰ [PERSEPHONE Notice Of Funding Opportunity](#)

¹¹¹ [Title 26 USC §30C](#)



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353. The credit was amended within Section 13404 of the Inflation Reduction Act of 2022 to be extended until 31 December 2032¹¹², so was in place during the POI and shall be for future years.
354. To qualify for the credit, the property must be used to store or dispense clean burning fuel or to charge electric motor vehicles. Clean-burning fuels include natural gas, propane, hydrogen, E85 and diesel fuel blends (min 20% biodiesel). The property must also be installed in a low-income community census tract or non-urban census tract¹¹³.
355. The value of tax credit that businesses can claim is 6%, or 30% if prevailing wage and apprenticeship requirements¹¹⁴ are met, of the cost, including labour, to install the item or property, up to a maximum of \$100,000 per item e.g. charging port, fuel dispenser, or storage property¹¹⁵.
356. The credit is claimed on IRS Form 8911¹¹⁶, attached to IRS Form 3800, as applicable.
357. Within their questionnaire submission, the USTR stated that the information regarding beneficiaries of this program is non-disclosable pursuant to Title 26 Section 6103 of the US Code¹¹⁷.
358. Consequently, a list of entities that benefitted for the subsidy during the review period was not available to the TRA. Based on the evidence available to it, the TRA has determined that biodiesel producers would have been able to benefit from the program.
359. The USTR did not comment as to whether any biodiesel producers benefitted from this programme during the POI or injury period, so it is possible that the programme is available to biodiesel producers.

¹¹² [Inflation Reduction Act §13404](#)

¹¹³ [IRS - Alternative Fuel Vehicle Refueling Property Credit](#)

¹¹⁴ These are the same prevailing wage and apprenticeship requirements required to qualify for the increased CFPC, which are stipulated by the IRS [here](#).

¹¹⁵ [IRS guidance for the Alternative Fuel Vehicle Refueling Property Credit](#)

¹¹⁶ [IRS Form 8911](#)

¹¹⁷ [USTR questionnaire submission No. 6: Alternative Fuel Refueling Property Credit, Section C4, Question 1a, pg. 47](#)



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360. The programme provides a financial contribution in terms of revenue foregone from a foreign government, the IRS, that confers a benefit to businesses that receive the credit, as it allows for greater resources to be available to the receiving company.
361. The programme is specific to businesses that store or dispense clean burning fuel, such as natural gas, propane, hydrogen, E85 and diesel fuel blends (min 20% biodiesel), and the properties must be installed in a low-income community census tract or non-urban census tract. Therefore, the subsidy program is considered to be countervailable.
362. The TRA considers the Alternative Fuel Vehicle Refueling Property Credit to demonstrate a sufficiently close nexus to previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy can include biodiesel producers, and therefore the beneficiaries are similar to the previous subsidies.
 - c) The subsidy relates to clean burning fuels, which includes biodiesel blended to a minimum of 20%, so relates to the same products.
 - d) The subsidy is in the form of credits to be redeemed against firms' tax liability, so is of the same nature of previous subsidies that were redeemed as tax credits.
 - e) The subsidy is provided by the same granting authority, the IRS, as previously included subsidies, such as the BTC, Biodiesel Credit and Small-Agri Biodiesel Producer Tax Credit.
363. The TRA concludes that there is a sufficiently close nexus between the Alternative Fuel Vehicle Refueling Property Credit and the previously considered subsidies.
364. Therefore, the Alternative Fuel Vehicle Refueling Property Credit has been found to be a countervailable subsidy, that is likely to provide ongoing



subsidisation and that demonstrates a sufficiently close nexus to previously included subsidies.

F3.1.4. Rural Energy for America Programme (REAP)

365. The Rural Energy for America Programme (REAP) is authorized by Title IX, Section 9007 of the Agriculture Improvement Act of 2018¹¹⁸, whilst the awarding of grants is governed by the CFR Part 4280¹¹⁹ and guaranteed loans are governed by the CFR Part 5001¹²⁰.

366. The Notice of Funding Opportunity for the Rural Energy for America Program for Fiscal Years 2025, 2026, and 2027¹²¹ and the amendment within the Comprehensive Notice March 25, 2025¹²² states that total funding over the three years is expected to be at least \$600 million, divided as such:

- a) IRA funding - Approximately \$180,000,000 per Federal FY.
- b) IRA underutilized renewable energy technology set aside funding - Approximately \$20,000,000 per Federal FY.
- c) Farm Bill funding - Approximately \$50 million per Federal FY.

367. Eligibility for REAP is restricted to agricultural producers or small businesses located in eligible rural areas¹²³.

368. Funds may be used for the purchase and installation of renewable energy systems, such as biodiesel, or for the purchase, installation and construction of energy efficiency improvements.

369. Under this scheme, eligible companies can benefit from:

- a) Loan guarantees on loans up to 75% of total eligible project costs.

¹¹⁸ [Agriculture Improvement Act of 2018, Title IX, §9007](#)

¹¹⁹ [CFR Part 4280](#)

¹²⁰ [CFR Part 5001](#)

¹²¹ [Notice of funding opportunity for the Rural Energy for America Program for Fiscal Years 2025, 2026, and 2027](#)

¹²² [Comprehensive Notice 25.03.25 - Amendment of Rural Development Funding Opportunities Pursuant to the Executive Order "Ending Radical and Wasteful Government DEI Programs and Preferencing"; Correction of Rural Energy for America Funding Notice](#)

¹²³ Eligible areas are defined as rural areas with populations of 50,000 residents or less. The USDA provides a map to show eligible areas that can be found [here](#).



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- b) Grants for up to 25% of total eligible project costs.
 - c) Combined grant and loan guarantee funding up to 75% of total eligible project costs.
370. Interest rates for the loan guarantees may be fixed or variable and are negotiated between the lender and borrower.
371. Applications submitted on or after 1 April 2023 with projects that meet one of the following are eligible for a grant share of up to 50 percent:
- a) Renewable energy systems or retrofits that produce zero greenhouse gas emissions at the project level;
 - b) Projects located in an Energy Community defined in Title 26 of the US Code §45 (b)(11)(B)¹²⁴;
 - c) Energy efficiency improvement projects;
 - d) Projects proposed by eligible Tribal entities.
372. The maximum grant size available to be requested for renewable energy systems is \$1 million and for energy efficiency improvements is \$500,000. The maximum grant assistance to one applicant cannot exceed \$1.5 million.
373. Grants for Energy Audit (EA) and Renewable Energy Development Assistance (REDA) cannot exceed \$100,000 to any one recipient in a federal fiscal year.
374. The USDA published an announcement in June 2025 that it was pausing accepting applications due to the continued popularity of the programme causing a backlog of applications. However, the USDA anticipated accepting applications for fiscal year 2026 in October 2025¹²⁵. The USDA website currently states that it is open to accepting loan guarantee applications but not grant applications¹²⁶.
375. The programme provides a financial contribution in terms of grants and loan guarantees from a foreign government, the Rural Business-Cooperative

¹²⁴ [Title 26 USC §45 \(b\)\(11\)\(B\)](#)

¹²⁵ [USDA Stakeholder Announcement](#)

¹²⁶ [USDA Rural Energy for America Program](#)



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Service, a Rural Development agency of the United States Department of Agriculture (USDA), that confers a benefit to businesses that receive the grants or guaranteed loans, as it allows for greater resources to be available to the receiving company.

376. The programme is specific to agricultural producers or small businesses located in eligible rural areas and the funds may only be used for the purchase and installation of renewable energy systems, such as biodiesel, or for the purchase, installation and construction of energy efficiency improvements. Therefore, the subsidy program is considered to be countervailable.
377. The USTR stated within their questionnaire submission that no grants were made to biodiesel producers during the POI¹²⁷. However, the TRA's assessment as to whether subsidisation is continuing or likely to recur is a prospective assessment, so the fact that the subsidy is currently available to producers of the goods subject to review is significant.
378. The TRA considers the Rural Energy for America Programme shares a sufficiently close nexus to previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy can include biodiesel producers, and therefore the beneficiaries are similar to the previous subsidies.
 - c) The subsidy relates to the purchase and installation of renewable energy systems, such as biodiesel, so relates to the same products.
379. The TRA concludes that there is a sufficiently close nexus between the Rural Energy for America Programme and the previously considered subsidies.
380. Therefore, the Rural Energy for America Programme has been found to be a countervailable subsidy that demonstrates a sufficiently close nexus to previously included subsidies, and that subsidisation of the goods subject to review is likely to recur through the subsidy program.

¹²⁷ [USTR questionnaire submission No. 8: Rural Energy for America Programme, Section C4, Question 1, pg. 59](#)



F3.1.5. USDA Higher Blends Infrastructure Incentive Programme (HBIIIP)

381. The USDA Higher Blends Infrastructure Incentive Program (HBIIIP) was designed to increase the sales and use of higher blends of ethanol and biodiesel by expanding the infrastructure for renewable fuels derived from US agricultural products¹²⁸.
382. The USTR states that the HBIIIP was originally authorised and funded using authorities provided for in Section 5 of the Commodity Credit Corporation Charter Act¹²⁹. For Fiscal Years (FYs) 2023 and 2024, funding was made available through Section 22003 of the Inflation Reduction Act of 2022¹³⁰.
383. As set out under the Federal Register Notice of Funding Opportunity for the HBIIIP for Fiscal Years 2023 and 2024¹³¹, total available funding for fiscal years 2023 and 2024 was approximately \$450 million, \$90 million each calendar quarter commencing 1 July 2023.
384. Each quarter's funding was divided between:
- a) \$67.5 million available to transportation fuelling facilities for eligible implementation activities related to higher blends of fuel ethanol greater than 10 percent ethanol, and/or activities related to higher blends of biodiesel greater than five percent
 - b) \$18 million available to fuel distribution facilities for eligible implementation activities related to higher blends of fuel ethanol greater than 10 percent ethanol, and biodiesel greater than five percent biodiesel
 - c) \$4.5 million available to home heating oil distribution facilities for eligible implementation activities related to higher blends of biodiesel greater than five percent

¹²⁸ [USDA | Higher Blends Infrastructure Incentive Program](#)

¹²⁹ [Commodity Credit Corporation Charter Act](#)

¹³⁰ [Inflation Reduction Act §22003](#)

¹³¹ [Notice of Funding Opportunity for the Higher Blends Infrastructure Incentive Program \(HBIIIP\) for Fiscal Years 2023 and 2024](#)



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385. Awards were in the form of cost-sharing grants up to the maximum grant value of \$5 million per project.
386. Eligible applicants for the funding were owners of transportation fuelling facilities and owners of fuel distribution facilities. Furthermore, the eligible facilities, including fuelling stations and biodiesel terminal operations, must be located in the US and its territories.
387. The application windows for enrolment in the HBIIP took place quarterly for five quarters, starting 1 July 2023, through 30 September 2024, with the option for a sixth application window if funding has not been exhausted. Therefore, applications could not be submitted during the POI. It is currently not possible to apply for HBIIP grants through the online portal¹³².
388. The USTR states that the program has terminated and that no grants were given to producers of biodiesel products during the POI¹³³.

F3.2. States schemes where biodiesel production occurs

F3.2.1. Illinois Biofuels Tax Exemption

389. The Illinois Biofuels Tax Exemption is governed by the Retailers' Occupation Tax and Use Tax Act within Illinois Compiled Statutes Chapter 35 120/2-10¹³⁴, 105/3-5.1, 105/3-10 and 105/3-40 through 105/3-44.3¹³⁵. The exemption provisions are currently scheduled to expire on 31 December 2030.
390. The legislation states that sales and use taxes do not apply to diesel fuel blends, depending on the proportion of biodiesel blended within the fuel.
391. Since 1 January 2019 until 31 December 2030, for diesel blends containing no less than 1% and no more than 10% biodiesel, the standard tax rate applied is 6.25%.

¹³² [Grants.gov website – View Grant opportunity HBIIP](#)

¹³³ [USTR questionnaire submission No. 7: USDA Higher Blends Infrastructure Incentive Programme \(HBIIP\), Section C4, Question 1a, pg. 53](#)

¹³⁴ [ILS Chapter 35 120/ - Retailers' Occupation Tax Act](#)

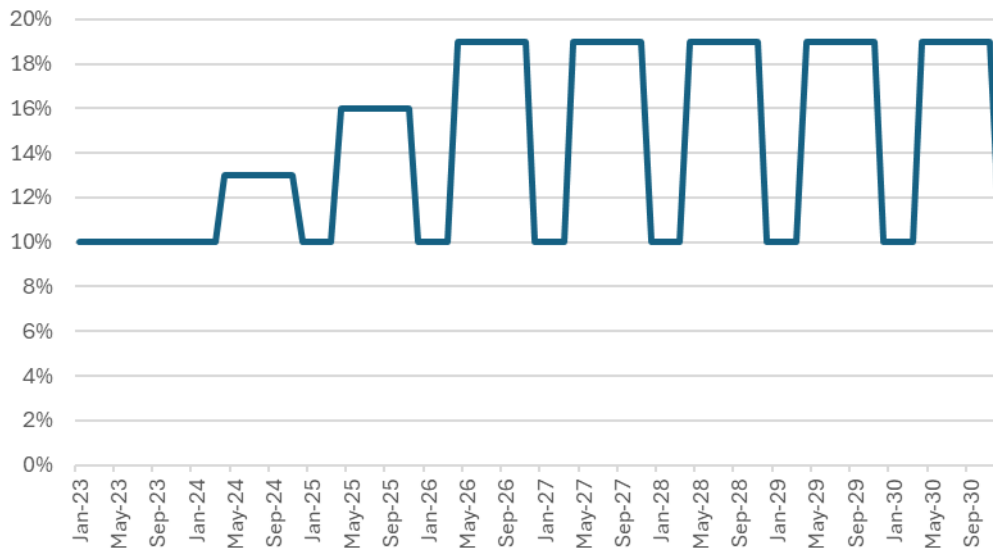
¹³⁵ [ILS Chapter 35 105/ - Use Tax Act](#)



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392. Image F.3.2.1.1 shows minimum biodiesel blend rates that will qualify for the sales and use tax exemption between January 2023 to December 2030.

Image F.3.2.1.1: Minimum biodiesel blend rate to not be subject to sales and use taxes



Source: Revenue (35 ILCS 105/) Use Tax Act and Revenue (35 ILCS 120/) Retailers' Occupation Tax Act

393. Up until 31 March 2024, the tax exemption was granted to diesel fuel that was mixed with at least 10% biodiesel.
394. Between 1 April 2024 – 30 November 2024, diesel fuel that was blended with at least 13% biodiesel was not subject to sales and use taxes.
395. Between 1 April 2025 – 30 November 2025, diesel fuel that was blended with at least 16% biodiesel was not subject to sales and use taxes.
396. Between April and November in years 2026 – 2030, diesel fuel that is blended with at least 19% biodiesel is not subject to sales and use taxes.
397. From December 2024, the aforementioned tax exemption applies to fuel with at least 10% biodiesel between the periods of 1 December and 31 March each calendar year until at least 30 November 2030¹³⁶.

¹³⁶ [US Department of Energy – Biodiesel Laws and Incentives in Illinois](#)



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398. Eligibility for the tax exemption depends purely on the product sold, not on the eligibility criteria of the biofuel producer or the purchaser.
399. The USTR's questionnaire submission confirmed all the above within this section but were unable to provide evidence of beneficiaries of the tax exemption as disclosure of confidential tax information by the Illinois Department of Revenue is strictly prohibited under Illinois state law¹³⁷.
400. The US Energy Information Administration's data shows that Illinois has four operational biodiesel plants¹³⁸ and it being reported that "according to the Illinois Department of Revenue, approximately \$250 million in diesel taxes were exempted in 2025 alone¹³⁹".
401. The same article from the Illinois Soybean Association reports that "on average, state sales taxes add roughly \$0.25 per gallon" of diesel sold, so where blended with biodiesel to meet the eligibility criteria for tax exemption, this amount is removed.
402. The TRA considers the Illinois Biofuels Tax Exemption to provide a financial contribution, in the form of revenue foregone, to a foreign authority, the Illinois Department of Revenue. The reduced tax liability of a company using this scheme confers a benefit to the companies receiving it.
403. The tax exemption is specific to sellers of biodiesel or renewable diesel, when blended with mineral diesel above certain threshold criteria, within the State of Illinois, and therefore the program is considered countervailable.
404. The TRA considers the Illinois Biofuels Tax Exemption shares a sufficiently close nexus with previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy includes biodiesel producers, and therefore the beneficiaries are similar to the previous subsidies.

¹³⁷ [USTR questionnaire submission No.17 Section C4, Question 1 pg. 102](#)

¹³⁸ [US EIA - US Biodiesel Plant Production Capacity](#)

¹³⁹ [Illinois Soybean Association - Illinois B20 Law Moves into Full Effect](#)



c) The subsidy relates to the sale of biodiesel and renewable diesel, so relates to the same products.

d) The subsidies are of the same nature in the form of a tax exemption due to the production and sale of biodiesel. Subsidies included in previous investigations included tax exemptions and tax credits that reduce a firm's tax liability, either to the State or Federal government.

405. The TRA concludes that there is a sufficiently close nexus between the Illinois Biofuels Tax Exemption and the previously considered subsidies.

406. Therefore, the Illinois Biofuels Tax Exemption has been found to be a countervailable subsidy that is likely to provide ongoing subsidisation, and it demonstrates a sufficiently close nexus to previously considered subsidies.

F3.2.2. Iowa Renewable Fuel Infrastructure Program

407. The Iowa Renewable Fuel Infrastructure Program (RFIP) is authorised within Iowa Code §159A.15¹⁴⁰, and is a cost-share grant program designed for motor fuel retail sites and biodiesel terminal facilities¹⁴¹.

408. The maximum total funding for the RFIP each fiscal year is \$1.75 million¹⁴².

409. Grants are awarded subject to the following conditions:

a) For improvements to store, blend, or dispense biodiesel fuel from B-2 to B-99, 50% of the actual cost of making the improvements or \$50,000, whichever is less, per project.

b) For improvements to store, blend, and dispense biodiesel fuel from B-99 to B-100, 50% of the actual cost of making the improvements or \$100,000, whichever is less, per project. A person is eligible for a maximum of \$800,000 under this subparagraph during any period of time and pursuant to all cost-share agreements in which the person participates.

¹⁴⁰ [Iowa Code §159A.15](#)

¹⁴¹ [Iowa Department of Agriculture & Land Stewardship - Renewable Fuel Infrastructure Program](#)

¹⁴² [Iowa Code §159A.16](#)



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410. A memo issued by the Iowa Department of Agriculture & Land Stewardship¹⁴³ states that “for any fiscal year, should all designated dollars for retail biodiesel projects be awarded by the RFIP Board, applications yet to be reviewed will be placed in an application queue and reviewed by the RFIP Board at a time of their choosing but in the order in which the applications were received”.
411. The USTR state within their additional comments submission that the “purpose of this program is to assist retail operators of fueling [sic] stations with installing, replacing, or converting eligible infrastructure to expand the use of renewable fuels”¹⁴⁴.
412. The Iowa Department of Agriculture & Land Stewardship states that the RFIP has distributed or obligated more than \$57.7 million in funding and lists a breakdown of all projects awarded grants between 2007 and 2024¹⁴⁵.
413. The USTR also provided an appendix of businesses that received RFIP grant awards in the POI totalling \$1.9 million¹⁴⁶.
414. Analysis of the list of awarded businesses published by the Iowa Department of Agriculture & Land Stewardship between 2007 and 2024, and the evidence provided by the USTR for the POI shows that none of the awarded businesses of RFIP grants have ever been known Iowa-based biodiesel producers¹⁴⁷.

F3.2.3. Kansas Biofuel Blending Equipment Tax Exemption

415. This heading of a subsidy program, which was provided by the applicant, can apply to several tax exemptions/credits available within Kansas, such as:
- a) Biofuel storage and blending equipment property tax exemption
 - b) Biofuel storage and blending equipment tax credit

¹⁴³ [Iowa Department of Agriculture & Land Stewardship Memo](#)

¹⁴⁴ [Additional US government comments on anti-subsidy questionnaire, paragraph 28](#)

¹⁴⁵ [Renewable Fuels Infrastructure Program Applications Awarded FY2007-FY2024](#)

¹⁴⁶ [USTR Questionnaire response – Appendix IA-6 Iowa RFIP biodiesel grants 2025](#)

¹⁴⁷ The [US EIA](#) reports Iowa-based biodiesel producers as Ag Processing Inc., Cargill Inc., Iowa Renewable Energy LLC, Reg Mason City LLC, Reg Newton LLC, Western Dubuque Biodiesel LLC and Western Iowa Energy LLC.



- c) Accelerated depreciation of the amortizable costs of storage and blending equipment

416. This section shall discuss each tax exemption/credit in turn to determine whether each subsidy is likely to provide ongoing subsidisation or whether subsidisation is likely to recur through the program.

Biofuel storage and blending equipment property tax exemption

417. The Kansas Biofuel Blending Equipment Property Tax Exemption was enacted from 1 January 2007 and is governed by Kansas Statutes Annotated (K.S.A.) 79-232¹⁴⁸ and 79-32,251¹⁴⁹.

418. Qualified equipment used for storing and blending petroleum-based fuel with biodiesel, ethanol, or other biofuel is exempt from state property taxes. The exemption begins at the time of installation at a fuel terminal, refinery, or biofuel production plant, and ends 10 taxable years following the year of installation. Equipment used only for denaturing ethyl alcohol is not eligible¹⁵⁰.

419. If the storage and blending equipment was not exempt from tax, it would be appraised at its fair market value, then the assessment rate set forth in Article 11, §1 of the Kansas Constitution¹⁵¹ and K.S.A. 79-1439¹⁵² is applied to the appraised value to determine the assessed value.

420. It is the TRA's understanding that storage and blending equipment would be classified under K.S.A. 79-1439(b)(1)(G) as "all other urban and rural real property not otherwise specifically subclassed", so the assessment rate applied would be set at 30%.

421. The tax rate would depend on the levy of the local taxing district and varies within the state by location¹⁵³.

422. Eligible businesses for the tax exemption are those that have installed any equipment which is used for storing and blending petroleum-based fuel and

¹⁴⁸ [K.S.A. 79-232](#)

¹⁴⁹ [K.S.A. 79-32,251](#)

¹⁵⁰ [US Department of Energy – Biofuel Blending Equipment Tax Exemption](#)

¹⁵¹ [Kansas Constitution Article 11 §1](#)

¹⁵² [K.S.A. 79-1439](#)

¹⁵³ [Kansas Commerce – Property Tax](#)



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biodiesel, ethanol or other biofuel and is installed at a fuel terminal, refinery or biofuel production plant, but does not include equipment used only for denaturing ethyl alcohol.

423. The USTR did not provide any evidence relating to the biodiesel storage and blending equipment property tax exemption, as authorised under K.S.A. 79-232 within their questionnaire submission.
424. The TRA considers the Kansas Biofuel Blending Equipment Property Tax Exemption to provide a financial contribution, in the form of revenue foregone, to a foreign authority, the Kansas Department of Revenue. The reduced tax liability of a company using this scheme confers a benefit to the companies receiving it.
425. The tax exemption is specific to businesses that have installed any equipment which is used for storing and blending petroleum-based fuel and biodiesel, ethanol or other biofuel and is installed at a fuel terminal, refinery or biofuel production plant, but does not include equipment used only for denaturing ethyl alcohol, within the State of Kansas, and therefore the program is considered countervailable.
426. The TRA considers the Kansas Biofuel Blending Equipment Property Tax Exemption to demonstrate a sufficiently close nexus to previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy includes biodiesel producers that blend biodiesel with mineral diesel, and therefore the beneficiaries are similar to the previous subsidies.
 - c) The subsidy relates to the storage and blending of biodiesel, so relates to the same products.
 - d) The subsidy is of the same nature in the form of a tax exemption due to the storage and blending of biodiesel. Subsidies included in previous



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investigations included tax exemptions and tax credits that reduce a firm's tax liability, either to the State or Federal government.

- e) The subsidy is provided by the same granting authority, the State of Kansas, as a previously included subsidy.

427. The TRA concludes that there is a sufficiently close nexus between the Kansas Biofuel Blending Equipment Property Tax Exemption and the previously considered subsidies.

428. Therefore, the Kansas Biofuel Blending Equipment Property Tax Exemption has been found to be a countervailable subsidy that is likely to provide ongoing subsidisation, and it demonstrates a sufficiently close nexus to previously considered subsidies.

Biofuel storage and blending equipment tax credit

429. The USTR provided information regarding the biofuel storage and blending equipment tax credit, which stated that, pursuant to K.S.A. 79-32,252¹⁵⁴, the tax credit was in place for taxable years commencing after 31 December 2006, and before 1 January 2012.

430. The amount of the credit to which a taxpayer is entitled shall be equal to the sum of: (1) An amount equal to 10% of the taxpayer's qualified investment for the first \$10,000,000 invested and (2) an amount equal to 5% of the amount of the taxpayer's qualified investment that exceeds \$10,000,000. Such credit shall be taken in 10 equal, annual instalments, beginning with the year in which the taxpayer places into service the storage and blending equipment.

431. Before making a qualified investment, a taxpayer needed to apply to the secretary of commerce to enter into an agreement for a tax credit. The agreements included:

- a) A detailed description of the storage and blending equipment that is the subject of the agreement

¹⁵⁴ [KSA 79-32.252](#)



- b) The first taxable year for which the credit may be claimed
 - c) The maximum amount of tax credit that will be allowed for each taxable year, and
 - d) A requirement that the taxpayer shall maintain operation of the equipment for at least 10 years during the term that the tax credit is available.
432. Taxpayers needed to comply with the terms of the agreement to receive an annual instalment of the tax credit and receive a certificate of compliance. If taxpayers did not comply with the terms of the agreement, the tax credits were forfeited.
433. The USTR stated in their questionnaire submission¹⁵⁵, this tax credit expired before 1 January 2012.
- Accelerated depreciation of the amortizable costs of biofuel storage and blending equipment**
434. The USTR provided information regarding the accelerated depreciation of the amortizable costs of storage and blending equipment, which is governed by K.S.A. 79-32,255¹⁵⁶. This program was enacted from 1 January 2007.
435. Under this legislation a taxpayer is entitled to a deduction from Kansas adjusted gross income with respect to the amortization of the amortizable costs of biofuel storage and blending equipment based upon a period of 10 years. The amortization deduction shall be an amount equal to 55% of the amortizable costs of such equipment for the first taxable year in which such equipment is in production and 5% of the amortizable costs of such equipment for each of the next nine taxable years.
436. Reducing a business's adjusted gross income lowers their taxable income by the relevant amortizable costs, so lowers their tax liability.

¹⁵⁵ [USTR questionnaire submission No.15 Section C2, Question 1 pg. 88](#)

¹⁵⁶ [KSA 79-32.255](#)



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437. The USTR's submission mainly focused on the biofuel storage and blending equipment tax credit, so failed to confirm whether the benefit from this program is ongoing.
438. It is the TRA's understanding that this program is ongoing as no legislation has been enacted to amend K.S.A. 79-32,255 with an expiration date of the program.
439. House Bill 2757¹⁵⁷ was introduced to the Kansas House of Representatives on 6 February 2026 aiming to repeal or discontinue certain income tax credit incentives, including the deduction within K.S.A. 79-32,255, but this has since "Died On Calendar" on 10 April 2026 so will not be enacted into law.
440. The TRA considers the Kansas Accelerated Depreciation of the Amortizable Costs of Biofuel Storage and Blending Equipment to provide a financial contribution, in the form of revenue foregone, to a foreign authority, the Kansas Department of Revenue. The reduced tax liability of a company using this scheme confers a benefit to the companies receiving it.
441. The subsidy is specific to businesses that have installed biofuel storage and blending equipment, within the State of Kansas, and therefore the program is considered countervailable.
442. The TRA considers the Kansas Accelerated Depreciation of the Amortizable Costs of Biofuel Storage and Blending Equipment to demonstrate a sufficiently close nexus to previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy includes biodiesel producers that store or blend biodiesel, and therefore the beneficiaries are similar to the previous subsidies.
 - c) The subsidy relates to the storage and blending of biodiesel, so relates to the same products.

¹⁵⁷ [Kansas House Bill 2757](#)



- d) The subsidy is of the same nature in the form of reducing business's tax liability due to the storage and blending of biodiesel. Subsidies included in previous investigations included tax exemptions and tax credits that reduce a firm's tax liability, either to the State or Federal government.
- e) The subsidy is provided by the same granting authority, the State of Kansas, as a previously included subsidy.

443. The TRA concludes that there is a sufficiently close nexus between the Kansas Accelerated Depreciation of the Amortizable Costs of Biofuel Storage and Blending Equipment and the previously considered subsidies.

444. Therefore, the Kansas Accelerated Depreciation of the Amortizable Costs of Biofuel Storage and Blending Equipment has been found to be a countervailable subsidy that is likely to provide ongoing subsidisation, and it demonstrates a sufficiently close nexus to previously considered subsidies.

F3.2.4 Michigan Incentive Program for In-State Sale and Production of Biodiesel

445. Michigan House Bills 4721¹⁵⁸ and 4722¹⁵⁹ were introduced on 1 July 2025 that would amend the Michigan Compiled Laws, Chapter 206, Income Tax Act of 1967¹⁶⁰. The bills have been introduced to the House and are pending discussion by the House Transportation And Infrastructure Committee.

446. The bills would allow for in-state biodiesel producers to claim a credit against income taxes equal to \$0.02 per gallon for biodiesel produced in Michigan during the tax year. The credit would be in effect between 1 January 2025 and 31 December 2030.

447. The total value of tax credits available to biodiesel producers per tax year is \$2,000,000. If the aggregate amount of credits claimed exceeds the cap, the amount of the credit allowed for each taxpayer is limited to the taxpayer's pro rata share. The taxpayer's pro rata share shall be the aggregate amount of the

¹⁵⁸ [Michigan House Bill 4721](#)

¹⁵⁹ [Michigan House Bill 4722](#)

¹⁶⁰ [Michigan Compiled Laws, Chapter 206, Income Tax Act of 1967](#)



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credit allowed multiplied by a fraction the numerator of which is the amount of credit claimed by the taxpayer during the tax year and the denominator of which is the sum of the credits claimed by all taxpayers during the tax year.

448. A previous bill (Michigan House Bill 4847¹⁶¹) was introduced to the previous Michigan legislature in 2023 that proposed the same tax credit for biodiesel producers, but this bill “died in committee”.
449. The USTR’s questionnaire submission state that the program is not entering into force because Michigan House Bill 4847 of 2023 never became law, but it fails to discuss the newly proposed legislation¹⁶².
450. The tax credit would be deemed as a financial contribution, in the form of tax revenue foregone, by the State of Michigan, which would confer a benefit to biodiesel producers that receive the tax credit, as they would have greater resources available to them.
451. The tax credit is specific to biodiesel producers within Michigan, so would be found to be countervailable.
452. The TRA considers the proposed legislation as positive evidence of unambiguous political intentions to instate subsidisation in the form of an income tax credit that forms part of long-established pattern of subsidisation of biodiesel products in the US.
453. The TRA considers the Michigan Incentive Program for In-State Sale and Production of Biodiesel to demonstrate a sufficiently close nexus to previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy are biodiesel producers, and therefore the beneficiaries are the same as the previous subsidies.

¹⁶¹ [Michigan House Bill 4847](#)

¹⁶² [USTR questionnaire submission No.19 Section C2, Question 1 pg. 109](#)



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- c) The subsidy relates to the sale of biodiesel, so relates to the same products.
- d) The subsidy is in the form of income tax credits, so is of the same nature of previous subsidies that were redeemed as tax credits.

454. The TRA concludes that there is a sufficiently close nexus between the Michigan Incentive Program for In-State Sale and Production of Biodiesel and the previously considered subsidies.

455. Therefore, the Michigan Incentive Program for In-State Sale and Production Biodiesel has been found to be a countervailable subsidy that demonstrates a sufficiently close nexus to previously included subsidies, and that subsidisation of the goods subject to review is likely to recur through the subsidy program.

F3.2.5 North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantee

456. The programme is titled the “Value-Added Guarantee Loan”, which is governed by the North Dakota Century Code Chapter 6, Sections 09.7-01 to 09.7-09¹⁶³.

457. The Bank of North Dakota, which is owned by the state of North Dakota¹⁶⁴, offers loan guarantees of up to \$25 million, over a maximum guaranteed loan term of 15 years.

458. The interest fee of the loan is set by the “Lead Lender”, a different bank, and the rate must be acceptable to the Bank of North Dakota.

459. The loans are to be used for value-added agriculture and energy projects in North Dakota.

460. Value-added agriculture is defined as a change made to primary agriculture products (crops and livestock) that increases the product’s value, thereby creating new economic activity and jobs in one of three ways:

¹⁶³ [North Dakota Century Code Chapter 6-09.7](#)

¹⁶⁴ [The BND Story – BND Today](#)



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- a) Process activities that create value for the product and/or introduce the product to new markets
- b) Diversification and/or modification of primary agriculture product, or
- c) Pre-production modifications that increase yield, quality and uses.

461. The USTR provided evidence that this program provided a \$4.8 million guaranteed loan to Red River Biorefinery LLC, an ethanol production plant, in 2024¹⁶⁵, but the TRA asserts that the subsidy is available to operational biodiesel producers within North Dakota¹⁶⁶.

462. The TRA considers the North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantee to provide a financial contribution in the form of a potential direct transfer of funds from a foreign authority, the State of North Dakota. The difference between the amount that recipients pay on the lower preferential rate of the loan guarantee compared to what they would pay for a comparable commercial loan obtained on the market confers a benefit.

463. The tax exemption is specific to value-added agriculture and energy projects in State of North Dakota, and therefore the program is considered countervailable.

464. The TRA considers the North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantee to demonstrate a sufficiently close nexus to previous subsidies because:

- a) The subsidy is granted by the same WTO Member, the United States of America.
- b) The beneficiaries of the subsidy include biodiesel producers, and therefore the beneficiaries are similar to the previous subsidies.
- c) The subsidy relates to the production of biodiesel, so relates to the same products.

¹⁶⁵ [USTR Questionnaire response – Appendix ND-5 ND Loan Programs](#)

¹⁶⁶ The US Energy Information Administration shows that there is one operational biodiesel production site in North Dakota.



465. The TRA concludes that there is a sufficiently close nexus between the North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantee and the previously considered subsidies.

466. Therefore, the North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantee has been found to be a countervailable subsidy that demonstrates a sufficiently close nexus to previously considered subsidies, and that subsidisation of the goods subject to review is likely to recur through the subsidy program.

F3.2.6 North Dakota Biodiesel and Renewable Diesel Blender Income Tax Credit

467. The Biodiesel and Renewable Diesel Blender Income Tax Credit is governed by the North Dakota Century Code Chapter 57, Section 38-01.22¹⁶⁷.

468. For the purposes of North Dakota Century Code 57-38-01.22, “biodiesel fuel” and “green diesel fuel” mean fuel as defined in North Dakota Century Code 57-43.2-01¹⁶⁸.

469. As set out under paragraph 2 of North Dakota Century Code 57-43.2-01 “biodiesel” means a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oil or animal fats that meets American society for testing materials (ASTM) specification D 6751.

470. As set out under North Dakota Century Code 57-38-01.22:

“...a fuel supplier licensed pursuant to section 57-43.2-05 who blends biodiesel fuel or green diesel fuel in this state is entitled to a credit against tax liability determined under section 57-38-30 or 57-38-30.3 in the amount of five cents per US gallon [3.79 litres] of biodiesel fuel or green diesel fuel of at least five percent blend, otherwise known as B5.”

¹⁶⁷ [North Dakota Century Code Chapter 57-38-01.22](#)

¹⁶⁸ [North Dakota Century Code Chapter 57-43.2-01](#)



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“The credit under this section may not exceed the taxpayer’s liability as determined under this chapter for the taxable year and each year’s unused credit amount may be carried forward for up to five taxable years.”

471. The credit under North Dakota Century Code 57-38-01.22 represents tax revenue foregone that normally would have been paid to the North Dakota Office of State Tax Commissioner.
472. The USTR provided evidence in a submitted appendix to their questionnaire submission¹⁶⁹, of the tax credit being claimed in 2022, 2023 and 2024. The USTR did not provide 2025 claimants’ data, because it states that biodiesel blenders claim the tax credit in their end of year tax returns, so these credits are claimed during 2026.
473. The evidence shows that in 2022, the total value of tax credits claimed was over \$3.7 million. Aggregated claimant data for 2023 and 2024 was redacted because of the limited number of claimants, and the USTR stated in their additional questionnaire response¹⁷⁰ that North Dakota Century Code 57-38-57 strictly prohibits the disclosure of company-specific tax information.
474. Although the evidence provided does not show the total monetary value of the tax credit claimed in years 2023 and 2024, the evidence does show that the program provided continuing tax credits to biodiesel and renewable diesel in those years.
475. The USTR state that “to the best of our knowledge, there was no benefit provided under this program in the POI”¹⁷¹, however from the explanation given in the USTR’s questionnaire submission of the process of claiming the tax credit through end-of-year tax returns, this is due to 2025 tax credits not being claimed yet, and no evidence provided suggests that the tax credits are not likely to be claimed for production in 2025.

¹⁶⁹ [USTR Questionnaire response – Appendix ND-3 ND Tax Programs](#)

¹⁷⁰ [USTR Additional Questionnaire Response – Annex A, North Dakota Biodiesel and HVO Blender Tax Credit, p.6](#)

¹⁷¹ [Additional US government comments on anti-subsidy questionnaire, paragraph 33](#)



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476. As a state government agency, the North Dakota Office of the State Tax Commissioner constitutes a foreign authority, within the meaning of paragraph 3(4) of Schedule 4 to the Act.
477. The TRA considered whether the financial contribution by a foreign authority conferred a benefit in accordance with regulation 21 of the Regulations.
478. The TRA considers that the five cents per US gallon tax credit reduces the tax rate paid by a company, increasing the resources available to it. The difference between the five cents tax credit and the five cents tax that would be paid by companies not utilising the tax credit, constitutes the benefit conferred by the programme, in accordance with regulation 21(1) of the Regulations.
479. The TRA considered whether the tax credits under North Dakota Century Code 57-38-01.22 were specific, in accordance with regulation 22 of the Regulations.
480. We consider that the legal provisions provide evidence that the provision of the tax credit is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, which include fuel suppliers (licensed pursuant to section 57-43.2-05) who blend biodiesel fuel or green diesel fuel in North Dakota.
481. Therefore, as the North Dakota Biodiesel and Renewable Diesel Blender Income Tax Credit provides a financial contribution from a foreign authority that confers a benefit to the recipients, and the subsidy is specific, the subsidy is considered countervailable.
482. The TRA considers the North Dakota Biodiesel and Renewable Diesel Blender Income Tax Credit to demonstrate a sufficiently close nexus to previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy are biodiesel and renewable diesel blenders, and therefore the beneficiaries are the same as the previous subsidies.



- c) The subsidy relates to the blending and sale of biodiesel, so relates to the same products.
- d) The subsidy is in the form of income tax credits, so is of the same nature of previous subsidies that were redeemed as tax credits.

483. The TRA concludes that there is a sufficiently close nexus between the North Dakota Biodiesel and Renewable Diesel Blender Income Tax Credit and the previously considered subsidies.

484. Therefore, the North Dakota Biodiesel and Renewable Diesel Blender Income Tax Credit has been found to be a countervailable subsidy that is likely to provide ongoing subsidisation, and it demonstrates a sufficiently close nexus to previously considered subsidies.

F3.2.7 North Dakota Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit

485. The Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit is governed by the North Dakota Century Code Chapter 57 Section 38-01.23¹⁷². The tax credit was established on 1 January 2005 and does not have an expiry date.

486. A seller of biodiesel fuel or green diesel fuel is entitled to a corporate income tax credit of 10% of the direct costs incurred to adapt or add equipment to a facility so that it may sell diesel fuel containing at least 2% biodiesel or renewable diesel.

487. A seller may only claim the credit for up to five years and is limited to \$50,000 in cumulative credits for all taxable years.¹⁷³

488. The credit claimed may not exceed a taxpayer's liability for the taxable year, and each year's unused credit amount may be carried forward for up to five years.

¹⁷² [North Dakota Century Code Chapter 57-38-01.23](#)

¹⁷³ [US Department of Energy - Biodiesel and Renewable Diesel Sales Equipment Tax Credit](#)



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489. The USTR's questionnaire submission stated that the objective of this tax credit is to encourage biodiesel or green diesel production in North Dakota, but that there have been no claimants of this tax credit during tax years 2021 – 2025¹⁷⁴.
490. Although there have not been any claimants recently, the tax credit is still available to sellers of biodiesel, so as the likelihood of subsidisation assessment is forward-looking, the TRA considers whether the subsidy is countervailable as it currently is available to provide subsidisation of the goods subject to review.
491. As a state government agency, the North Dakota Office of the State Tax Commissioner constitutes a foreign authority, within the meaning of paragraph 3(4) of Schedule 4 to the Act.
492. The TRA considered whether the financial contribution by a foreign authority conferred a benefit in accordance with regulation 21 of the Regulations.
493. The TRA considers that the tax credit of 10% of the direct costs to install or adapt equipment reduces the tax rate paid by a company, increasing the resources available to it. The difference between the tax credit and the tax that would be paid by companies not utilising the tax credit, constitutes the benefit conferred by the programme, in accordance with regulation 21(1) of the Regulations.
494. The TRA considered whether the tax credits under North Dakota Century Code 38-01.23 were specific, in accordance with regulation 22 of the Regulations.
495. We consider that the legal provisions provide evidence that the provision of the tax credit is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, which include fuel sellers of biodiesel fuel or green diesel fuel in North Dakota.
496. Therefore, as the North Dakota Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit provides a financial contribution from a foreign

¹⁷⁴ [USTR Questionnaire response – Appendix ND-3 ND Tax Programs](#)



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authority that confers a benefit to the recipients, and the subsidy is specific, the subsidy is considered countervailable.

497. The TRA considers the North Dakota Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit to demonstrate a sufficiently close nexus to previous subsidies because:

- a) The subsidy is granted by the same WTO Member, the United States of America.
- b) The beneficiaries of the subsidy are biodiesel and green diesel sellers, and therefore the beneficiaries are the same as the previous subsidies.
- c) The subsidy relates to the sale of biodiesel, so relates to the same products.
- d) The subsidy is in the form of income tax credits, so is of the same nature of previous subsidies that were redeemed as tax credits.

498. The TRA concludes that there is a sufficiently close nexus between the North Dakota Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit and the previously considered subsidies.

499. Therefore, the North Dakota Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit has been found to be a countervailable subsidy that demonstrates a sufficiently close nexus to previously considered subsidies, and that subsidisation of the goods subject to review is likely to recur through the subsidy program.

F3.2.8 North Dakota Biofuels Partnership in Assisting Community Expansion (PACE) Loan Program

500. The North Dakota Biofuels PACE Loan Program is governed by the North Dakota Century Code Chapter 6, Section 09¹⁷⁵.

501. The North Dakota Biofuels PACE Loan Program provides interest buydown on loans to biodiesel, ethanol or green diesel production facilities and livestock

¹⁷⁵ [North Dakota Century Code Chapter 6, Section 09](#)



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operations. The program is used to reduce the interest rate on loans which have been approved by a local lender and the Bank of North Dakota¹⁷⁶.

502. Facilities must be based in North Dakota, and eligibility criteria for biodiesel production are:

- a) Facilities must produce biodegradable, combustible liquid fuel derived from vegetable oil or animal fat.
- b) Fuel must be suitable for blending with diesel fuel for use in internal combustion engines.

503. Funds may be used to purchase or construct property, expand facilities or purchase or install equipment including a biodigester system.

504. For ethanol, biodiesel or green diesel facilities, the loan terms for equipment are between 5-7 years and for real estate is up to 20 years.

505. Businesses can apply for the program using a Bank Participation Loan Application form¹⁷⁷ and by paying a \$250 minimum origination fee.

506. The Bank of North Dakota must take at least 50%, and not more than 80%, of the total loan. Borrowers must work with a local lender to submit the loan application. The “Lead Lender” is responsible for servicing the loan.

507. The USTR provided evidence of four recipients of the North Dakota biofuels PACE loan program during the injury period and period of investigation that totalled to £578,264 in loans/interest rate subsidy¹⁷⁸.

508. None of the recipients were FAME biodiesel producers in North Dakota, but the subsidy remains available to them. Therefore, the TRA considers whether the subsidy is countervailable and sufficiently similar to previous subsidies.

509. The TRA considers the North Dakota Biofuels PACE Loan Program to provide a financial contribution in the form of a potential direct transfer of funds from a foreign authority, the State of North Dakota. The difference between the

¹⁷⁶ [Bank of North Dakota – Biofuels PACE Program](#)

¹⁷⁷ [Bank Participation Loan Application form](#)

¹⁷⁸ [USTR Questionnaire response – Appendix ND-5 ND Loan Programs](#)



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amount that recipients pay on the lower preferential rate of the loans compared to what they would pay for a comparable commercial loan obtained on the market confers a benefit.

510. The tax exemption is specific to biodiesel ethanol or green diesel production facilities and livestock operations in the State of North Dakota. There are additional eligibility criteria for biodiesel production of:

- a. Facilities must produce biodegradable, combustible liquid fuel derived from vegetable oil or animal fat.
- b. Fuel must be suitable for blending with diesel fuel for use in internal combustion engines.

Therefore, the program is considered countervailable.

511. The TRA considers the North Dakota Biofuels PACE Loan Program to demonstrate a sufficiently close nexus to previous subsidies because:

- a) The subsidy is granted by the same WTO Member, the United States of America.
- b) The beneficiaries of the subsidy include biodiesel producers, and therefore the beneficiaries are similar to the previous subsidies.
- c) The subsidy relates to the production of biodiesel, so relates to the same products.

512. The TRA concludes that there is a sufficiently close nexus between the North Dakota Biofuels PACE Loan Program and the previously considered subsidies.

513. Therefore, the North Dakota Biofuels PACE Loan Program has been found to be a countervailable subsidy that demonstrates a sufficiently close nexus to previously considered subsidies, and that subsidisation of the goods subject to review is likely to recur through the subsidy program.



F3.2.9 North Dakota Clean Sustainable Energy Authority

514. The North Dakota Clean Sustainable Energy Authority is authorised under North Dakota Century Code Chapter 54 Section 63.1¹⁷⁹. It was established by the North Dakota Legislature in 2021 under the control of the North Dakota Industrial Commission¹⁸⁰.

515. The purpose of the Clean Sustainable Energy Authority is to:

“...support research, development, and technological advancements through partnerships and financial support for the large-scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery. The purpose of the financial support is to enhance the production of clean sustainable energy, to make the state a world leader in the production of clean sustainable energy, and to diversify and grow the state’s economy.”

516. The program has the ability to provide grants, loans, or other forms of financial assistance, such as venture capital investments and interest rate buydowns, to qualified entities for projects or technologies that reduce environmental impacts and use energy sources derived from within North Dakota.

517. Applications for funding are sent to the North Dakota Industrial Commission. Proposals are scored by the Clean Sustainable Energy Authority’s Technical Committee, factoring in scoring from independent technical advisors within the North Dakota Industrial Commission. Recommendations are forwarded to the Clean Sustainable Energy Authority’s Advisory Board, who receives presentations from applicants, before the Advisory Board sends final recommendations to the Industrial Commission for final considerations.

518. Applicants pay a \$100 fee alongside their proposals.

¹⁷⁹ [North Dakota Century Code Chapter 54-63.1](#)

¹⁸⁰ [North Dakota - Clean Sustainable Energy Authority-Applicant Information](#)



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519. For the 2021-2023 biennium, the program received an appropriation of \$25 million for grants and the authority to request a line of credit from the Bank of North Dakota for up to \$250 million.
520. North Dakota Century Code Chapter 54-63.1-07 states that “the industrial commission may access the line of credit [from the Bank of North Dakota] to the extent needed through June 30, 2029, to provide funding as authorized by the legislative assembly to support loans or loan guarantees issued from the clean sustainable energy fund.”
521. The Clean Sustainable Energy Authority’s Grant Rounds 1-6 published online show that none of the approved projects for funding were related to biodiesel production within North Dakota¹⁸¹.
522. The USTR’s questionnaire submission included an appendix of recipients of grant funding by the Clean Sustainable Energy Authority during the injury period and POI¹⁸². The submitted figures show that the Clean Sustainable Energy Authority provided grants worth over \$60.4 million between 2022 and 2025, of which \$47.9 million was granted during the POI.
523. The figures provided by the USTR do not match those published on the Clean Sustainable Energy Authority’s website. The recipients included within the USTR’s appendix do align with those listed on the Clean Sustainable Energy Authority’s website, however the USTR’s appendix omits a number of approved project recipients, especially those listed in the most recent grant rounds on the Clean Sustainable Authority’ website.
524. Although the figures do not align, the USTR’s appendix supports the conclusion that that no biodiesel producers in North Dakota received grant funding during the POI or the injury period.
525. The TRA’s assessment as to whether subsidisation is likely to continue or recur is a prospective assessment, so the fact that the subsidy is currently available to producers of the goods subject to review is significant.

¹⁸¹ [North Dakota Industrial Commission | Clean Sustainable Energy Authority-Grant Rounds 6-1](#)

¹⁸² [USTR Questionnaire response – Appendix ND-8 Clean Sustainable Energy Authority beneficiaries](#)



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526. The TRA considers the North Dakota Clean Sustainable Energy Authority to provide a financial contribution in the form of a potential direct transfer of funds from a foreign authority, the Industrial Commission of North Dakota. The grants, loans, or other forms of financial assistance, such as venture capital investments and interest rate buydowns confer a benefit, as it allows for greater resources to be available to the receiving company.
527. The subsidy is specific to qualified projects or technologies that reduce environmental impacts and use energy sources derived from within North Dakota. Therefore, the program is considered countervailable.
528. The TRA considers the North Dakota Clean Sustainable Energy Authority to demonstrate a sufficiently close nexus to previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy include biodiesel producers, and therefore the beneficiaries are similar to the previous subsidies.
 - c) The subsidy relates to the production of biodiesel, so relates to the same products.
529. The TRA concludes that there is a sufficiently close nexus between the North Dakota Clean Sustainable Energy Authority and the previously considered subsidies.
530. Therefore, the North Dakota Clean Sustainable Energy Authority has been found to be a countervailable subsidy that demonstrates a sufficiently close nexus to previously considered subsidies, and that subsidisation of the goods subject to review is likely to recur through the subsidy program.

F3.2.10 Missouri Biodiesel Producer Tax Credit

531. The USTR provided information on the Missouri Biodiesel Producer Tax Credit as an addendum to the table of subsidies alleged by the Applicant.



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532. The Missouri Biodiesel Producer Tax Credit is authorised under Missouri Revised Statute §135.778¹⁸³, which states that *“For all tax years beginning on or after January 1, 2023, a Missouri biodiesel producer shall be allowed a tax credit to be taken against the producer’s state income tax liability”*.
533. The value of the tax credit is \$0.02 per gallon of biodiesel produced by a Missouri biodiesel producer.
534. The tax credit is to be used to offset a biodiesel producer’s state tax liability, and where the value of a producer’s claimable tax credits exceeds their tax liability, the difference shall be refunded. The tax credits are not allowed to be transferred or sold to third parties. The tax credit is applied for by completing Missouri Department of Revenue Form 5875¹⁸⁴.
535. The total amount of tax credits able to be claimed for a fiscal year is \$5,500,000, which is distributed on a first-come, first-served basis.
536. The program is set to expire on 31 December 2028, unless reauthorised by the Missouri general assembly. If reauthorised, the program shall automatically be extended for another 12 years.
537. The USTR stated within their questionnaire submission that information regarding the administration of Missouri tax laws are treated as confidential¹⁸⁵ and that IRS Publication 1075¹⁸⁶ prohibits statistics at the state level from being released if data contains fewer than 10 returns in order to maintain confidentiality of the individual records. Therefore, the USTR has not provided information regarding the beneficiaries of the tax credit.
538. The US Energy Information Administration shows that there were five operational biodiesel production sites in Missouri that are able to benefit from this scheme¹⁸⁷.

¹⁸³ [Missouri Revised Statute §135.778](#)

¹⁸⁴ [USTR Questionnaire response – Appendix MO-5 Missouri Department of Revenue Form 5875](#)

¹⁸⁵ [USTR Questionnaire response – Appendix MO-3 RSMo Section 32.057](#)

¹⁸⁶ [USTR Questionnaire response – Appendix MO-4 IRS Publication 1075](#)

¹⁸⁷ [US EIA - US Biodiesel Plant Production Capacity](#)



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539. Therefore, as the tax credit is available to biodiesel producers in the State of Missouri, and the likelihood of subsidisation assessment is forward-looking, the TRA considers whether the subsidy is countervailable as it currently is available to provide subsidisation of the goods subject to review.
540. The credit authorised under Missouri Revised Statute §135.778 represents tax revenue foregone that normally would have been paid to the Missouri Department of Revenue.
541. The TRA considered whether the financial contribution by a foreign authority conferred a benefit in accordance with regulation 21 of the Regulations.
542. The TRA considers that the two cents per US gallon tax credit reduces the tax rate paid by a company, increasing the resources available to it. The difference between the two cents tax credit and the two cents tax that would be paid by companies not utilising the tax credit, constitutes the benefit conferred by the programme, in accordance with regulation 21(1) of the Regulations.
543. The TRA considered whether the tax credits under Missouri Revised Statute §135.778 are specific, in accordance with regulation 22 of the Regulations.
544. We consider that the legal provisions provide evidence that the provision of the tax credit is explicitly specific in nature, in terms of only being available to, and thereby favouring, certain groups of enterprises, which include biodiesel producers in the State of Missouri.
545. Therefore, as the Missouri Biodiesel Producer Tax Credit provides a financial contribution from a foreign authority that confers a benefit to the recipients, and the subsidy is specific, the subsidy is considered countervailable.
546. The TRA considers the Missouri Biodiesel Producer Tax Credit to demonstrate a sufficiently close nexus to previous subsidies because:
- a) The subsidy is granted by the same WTO Member, the United States of America.
 - b) The beneficiaries of the subsidy are biodiesel producers, and therefore the beneficiaries are the same as the previous subsidies.



- c) The subsidy relates to the production of biodiesel, so relates to the same products.
- d) The subsidy is in the form of income tax credits, so is of the same nature of previous subsidies that were redeemed as tax credits.
- e) The subsidy is provided by the same granting authority, the State of Missouri, as a previously included subsidy.

547. The TRA concludes that there is a sufficiently close nexus between the Missouri Biodiesel Producer Tax Credit and the previously considered subsidies.

548. Therefore, the Missouri Biodiesel Producer Tax Credit has been found to be a countervailable subsidy that is likely to provide ongoing subsidisation, and it demonstrates a sufficiently close nexus to previously considered subsidies.

F3.3 States schemes where biodiesel production does not occur

F3.3.1 Alabama Biofuel Production Jobs Tax Credit

549. The Alabama Biofuel Production Jobs Tax Credit is authorised under the Code of Alabama Title 40, Chapter 18, Article 16 – Alabama Jobs Act §40-18-370 through §40-18-383¹⁸⁸.

550. Companies that invest in the development of a biofuel production facility may be eligible for a tax credit of 3% of the previous year's annual employee wages. Companies may claim this credit against the utility gross receipts and utility service use taxes for up to 10 years; the credit may be refundable during the incentive period or claimed as a credit against utility taxes paid with a carryforward for earned but unused amounts.

551. Companies may also be eligible for a tax credit of 1.5% of qualified capital investment annually for up to 10 years. Companies may claim this credit against the income tax, estimated income taxes, financial institution excise tax,

¹⁸⁸ [Code of Alabama §40-18-370 through §40-18-383](#)



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or the insurance premium tax. The credit may also be claimed as a credit against taxes paid with a carryforward for earned but unused amounts¹⁸⁹.

552. The USTR did not provide data as to the beneficiaries of the tax credits, stating that taxpayers have not filed for their 2025 income tax credits, so the information is not available.

553. The USTR also argues that as the tax credits provided by the Alabama Jobs Act are available to a variety of producers in various industries beyond manufacturing, this constitutes that the tax credits are not specific.

554. The TRA believes that Hero BX was the only company that had a biodiesel production plant in Alabama, and the company ceased operations at the end of 2024 went into receivership in June 2025.

555. The biodiesel producer could have availed itself of the tax credits provided by the Alabama Jobs Act, but it would not have received these benefits during the POI. Furthermore, there is no ongoing biodiesel production within Alabama that can benefit from this program.

F3.3.2 Montana Biodiesel Tax Exemption

556. The State of Montana provides an exemption from special fuel tax pursuant to Section 15-70-405 of the Montana State Code¹⁹⁰.

557. Under this legislation, a special biodiesel fuel producer is exempt from the special fuel tax (29.75 cents per gallon) imposed by Section 15-70-403 of the Montana State Code¹⁹¹ on biodiesel produced by the producer from waste vegetable oil feedstock

558. A special biodiesel fuel producer is defined as a person who produces less than 2,500 gallons annually of biodiesel fuel from waste vegetable oil feedstock for the operation of motor vehicles owned or controlled by the person on the public roads and highways of the state¹⁹².

¹⁸⁹ [US Department of Energy | Biofuel Production Jobs Tax Credit](#)

¹⁹⁰ [Section 15-70-405 of the Montana State Code](#)

¹⁹¹ [Section 15-70-403 of the Montana State Code](#)

¹⁹² [Section 15-70-401 of the Montana State Code](#)



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559. To qualify for the tax exemption, special biodiesel fuel producers must register annually with the Department of Transportation and report on the amount of biodiesel produced and used by the producer in a calendar year by February 15 of the succeeding year.
560. The USTR state within their questionnaire submission that it does not believe there are any biodiesel producers in Montana to benefit from this program¹⁹³, which it reinforces within its additional comments submission by stating that the TRA should conclude that subsidisation to biodiesel producers through this program will neither continue nor likely recur if the countervailing measure expires¹⁹⁴.

F3.3.3 Montana Refund for Taxes Paid on Biodiesel By Distributor Or Retailer

561. The State of Montana provides a refund to licensed distributors and owners or operators of retail motor fuel outlets that have paid the special fuel tax on biodiesel pursuant to Section 15-70-433 of the Montana State Code¹⁹⁵.
562. Licensed distributors may claim a refund of \$0.02 per gallon on biodiesel sold in the previous calendar quarter if the biodiesel is produced entirely from biodiesel ingredients produced in Montana.
563. Owners or operators of retail motor fuel outlets may claim a refund of \$0.01 per gallon on biodiesel purchased from a licensed distributor if the biodiesel is produced entirely from biodiesel ingredients produced in Montana.
564. Distributors of biodiesel or owners of retail motor fuel outlets may claim a refund under this program by filing a statement within 30 days after the end of each calendar quarter.
565. The statements provided set forth information required by the Department of Transport, such as the number of gallons of biodiesel sold and the source of

¹⁹³ [USTR questionnaire submission No.20 Section C4, Question 1, pg. 115](#)

¹⁹⁴ [Additional US government comments on anti-subsidy questionnaire, paragraph 30](#)

¹⁹⁵ [Section 15-70-433 of the Montana State Code](#)



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ingredients used to produce biodiesel for distributors, and the number of gallons purchased for retail motor fuel outlet owners.

566. The USTR state within their questionnaire submission that it does not believe there are any biodiesel producers in Montana to benefit from this program¹⁹⁶, which it reinforces within its additional comments submission by stating that the TRA should conclude that subsidisation to biodiesel producers through this program will neither continue nor likely recur if the countervailing measure expires¹⁹⁷.

F3.3.4 New Mexico Biodiesel Blending Facility Tax Credit

567. The New Mexico Biodiesel Blending Facility Tax Credit is authorised under Chapter 7, Article 9, Section 7-9-79.2 of the New Mexico Statutes¹⁹⁸.

568. A rack operator, defined as an operator of a refinery in this state, any person who blends special fuel in this state or the owner of special fuel stored at a pipeline terminal in this state¹⁹⁹, and who installs biodiesel blending equipment for the purpose of establishing or expanding a facility to produce blended biodiesel fuel was eligible to claim a credit against gross receipts tax or compensating tax.

569. The credit shall be an amount equal to 30% of the purchase cost of the equipment plus 30% of the cost of installing that equipment.

570. The credit could not exceed \$50,000 with respect to equipment installed at any one facility.

571. The Energy, Minerals and Natural Resources Department determined if the equipment for which the tax credit was claimed met the requirements and if purchased and installation costs reported by the taxpayer were legitimate. If satisfied, the Energy, Minerals and Natural Resources department issued a dated certificate of eligibility containing this information and an estimated

¹⁹⁶ [USTR questionnaire submission No.21 Section C4, Question 1, pg. 120](#)

¹⁹⁷ [Additional US government comments on anti-subsidy questionnaire, paragraph 31](#)

¹⁹⁸ [NM Statutes § 7-9-79.2 \(2024\)](#)

¹⁹⁹ [NM Statutes § 7-16A-2 \(2025\)](#)



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amount of the biodiesel blending facility tax credit for which the taxpayer was eligible.

572. The total cumulative amount of approved claims for the credit for all taxpayers for a calendar year could not exceed \$1,000,000.
573. The appendix provided by the USTR of the New Mexico 2025 Tax Expenditure Report shows that the biodiesel blending facility tax credit was repealed in 2025, effective from 1 July 2025²⁰⁰. The report also states that there were no new claims for the tax credit in fiscal years 2023, 2024 and 2025.
574. Section 7-9-79.2 of the New Mexico Statutes has since been updated to reflect that the tax credit has been repealed²⁰¹.

F3.3.5 Oregon Production Property Tax Exemption (as part of the Rural Renewable Energy Development (RRED) Zone)

575. Qualified property, as defined by ORS 285C.359²⁰², within a Rural Renewable Energy Development (RRED) Zone is exempt from property tax if the property is used for the generation of renewable energy.
576. Renewable energy is defined within ORS 285C.350²⁰³ as electricity generated through the use of a renewable energy source, or a liquid, gaseous or solid fuel for commercial sale or distribution, that is either a biofuel, such as biodiesel or ethanol, or a fuel additive that has been verified under the United States Environmental Protection Agency's Environmental Technology Verification Program or the California Air Resources Board verification program and is composed of at least 90 percent renewable materials.
577. Counties, cities in rural counties, or a combination of contiguous rural counties can request the Oregon Business Development Department to designate them as a RRED Zone, encompassing all rural territory of the jurisdiction(s), which is

²⁰⁰ [USTR Questionnaire response – Appendix NM-1 Pages from 2025 NM Tax & Rev Tax Expenditure Report](#)

²⁰¹ [NM Statutes § 7-9-79.2 \(2025\)](#)

²⁰² [ORS 285C.359](#)

²⁰³ [ORS 285C.350](#)



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defined as any area outside the urban growth boundary of cities with a population of 30,000 or more²⁰⁴.

578. The USTR provided evidence that there are currently seven beneficiaries of tax abatements for businesses generating renewable energy within RRED zones in Oregon, however none of the beneficiaries were biodiesel producers²⁰⁵.

579. The US Energy Information Administration shows that there are no operational biodiesel production sites in Oregon that could benefit from this scheme²⁰⁶.

F3.3.6 South Dakota Biodiesel Blend Tax Credit

580. Pursuant to South Dakota Statute 10-47B-121.1²⁰⁷:

“A tax report credit for special fuel blended with biodiesel to create biodiesel blend shall be allowed to the licensed blender who performs the blending activity. The tax report credit shall be granted on a per gallon basis in the amount that the rate for special fuel exceeds the rate for biodiesel blend. The credit shall be used to off-set any tax liability resulting from the blending of previously untaxed biodiesel”.

581. The fuel excise tax rate for motor fuel and special fuel is \$0.28 per gallon pursuant to South Dakota Statute 10-47B-4.2²⁰⁸.

582. The USTR state within their questionnaire submission that no companies are currently utilising the tax program as there has not been a licensed biodiesel producer in South Dakota since 2015.

583. The US Energy Information Administration shows that there are no operational biodiesel production sites in South Dakota that could benefit from this scheme²⁰⁹.

²⁰⁴ [USTR Questionnaire response – Appendix OR-1 Commerce RRED Zones](#)

²⁰⁵ [USTR Questionnaire response – Appendix OR-3 Oregon RRED beneficiaries](#)

²⁰⁶ [US EIA - US Biodiesel Plant Production Capacity](#)

²⁰⁷ [South Dakota Statute 10-47B-121.1](#)

²⁰⁸ [South Dakota Statute 10-47B-4.2](#)

²⁰⁹ [US EIA - US Biodiesel Plant Production Capacity](#)



F3.3.7 South Dakota Biodiesel Tax Reduction

584. Pursuant to South Dakota Statute 10-47B-4.4²¹⁰:

“The tax imposed by §10-47B-4 on biodiesel or biodiesel blends [\$0.28 per gallon] shall be reduced by two cents per gallon in the quarter after biodiesel production facilities in South Dakota reach a name plate capacity of at least twenty million gallons per year and fully produce at least ten million gallons of biodiesel within one year as determined by the secretary of revenue.”

585. The provisions of this section are repealed in the quarter after thirty-five million gallons of taxed biodiesel and biodiesel blended fuel are sold.

586. The USTR state within their questionnaire submission that no benefits are provided under this program as there are no currently licensed biodiesel producers in South Dakota.

587. The US Energy Information Administration shows that there are no operational biodiesel production sites in South Dakota that could benefit from this scheme²¹¹.

F3.3.8 South Dakota Tax Refund for Methanol used in Biodiesel Production

588. Pursuant to South Dakota Statute 10-47B-120.1²¹², *“a biodiesel producer may apply for and obtain a refund of fuel taxes paid to this state for methanol used to produce biodiesel”*.

589. The fuel excise tax rate for ethyl alcohol and methyl alcohol fuel that can be refunded is \$0.14 per gallon²¹³.

590. The USTR state within their questionnaire submission that no benefits are provided under this program as there are no currently licensed biodiesel producers in South Dakota.

²¹⁰ [South Dakota Statute 10-47B-4.4](#)

²¹¹ [US EIA - US Biodiesel Plant Production Capacity](#)

²¹² [South Dakota Statute 10-47B-120.1](#)

²¹³ [South Dakota Statute 10-47B-4.3](#)



591. The US Energy Information Administration shows that there are no operational biodiesel production sites in South Dakota that could benefit from this scheme²¹⁴.

F4. Likely rate of subsidisation

F4.1. Subsidies where ongoing subsidisation is not likely to be ongoing or recur

592. Based on the evidence provided within Sections B and C above, the following subsidy programs were found not likely to provide ongoing or recurring subsidisation of the goods subject to review should the countervailing measures expire.

Federal Schemes

- a) Second Generation Biofuel Producer Credit
- b) Advanced Research Projects Agency-Energy (ARPA-E)
- c) USDA Higher Blends Infrastructure Incentive Programme (HBIIP)

State Schemes

- d) Texas Fuel Ethanol and Biodiesel Production Incentive Programme
- e) Missouri Qualified Biodiesel Producer Incentive Fund
- f) Kansas Qualified Biodiesel Fuel Producer Incentive
- g) Florida Biofuels Investment Tax Credit
- h) Iowa Renewable Fuel Infrastructure Program
- i) Kansas Biofuel Storage and Blending Equipment Tax Credit
- j) Alabama Biofuel Production Jobs Tax Credit
- k) Montana Biodiesel Tax Exemption

²¹⁴ [US EIA - US Biodiesel Plant Production Capacity](#)



- l) Montana Refund for Taxes Paid on Biodiesel By Distributor Or Retailer
- m) New Mexico Biodiesel Blending Facility Tax Credit
- n) Oregon Production Property Tax Exemption
- o) South Dakota Biodiesel Blend Tax Credit
- p) South Dakota Biodiesel Tax Reduction
- q) South Dakota Tax Refund for Methanol used in Biodiesel Production

F4.2. Subsidies found to likely provide ongoing subsidisation, or subsidisation is likely to recur

593. Based on the evidence provided within Sections B and C above, the TRA includes the following subsidies within their determination regarding whether the countervailing measures should be maintained.

F4.2.1 Biodiesel Mixture Credit

594. The Biodiesel Mixture Credit, more commonly known as the Blender's Tax Credit (BTC), was found to be countervailable within Council Regulation (EC) No 598/2009 and the operation of the subsidy scheme has continued unaltered until it expired on 31 December 2024.

595. Two active bills that have been introduced to the 119th (current) US Congress to temporarily reinstate or fully reinstate the BTC are considered as positive evidence of the political intentions to reinstate subsidisation in the form of the BTC. Additionally, there is a long-established pattern of legislative measures reinstating the BTC and continuing subsidisation.

596. Furthermore, the TRA considers repeated demands by US trade associations for BTC's reinstatement and economic pressure to reduce the cost of domestic fuel in the US following the beginning of the US – Iran war in February 2026.

597. The above factors in conjunction with the established pattern of extension/retroactively reinstating the BTC and the proposed legislation to reinstate the BTC has led the TRA to conclude that subsidisation of the goods



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subject to review through the BTC is likely to recur should the countervailing measures expire.

F4.2.2 Clean Fuel Production Credit

598. The Clean Fuel Production Credit (CFPC) was alleged by the applicant as being a new subsidy providing subsidisation to the goods subject to review.

599. The CFPC has been found to be a countervailable subsidy, because it represents a financial contribution in the form of revenue foregone by a foreign authority, the IRS. The difference between the tax credit and the tax that would be paid by companies not utilising the tax credit, constitutes the benefit conferred by the programme. The subsidy is considered specific because it is only available to producers of low-carbon transportation fuels, including SAF, renewable diesel, ethanol, biodiesel, and renewable natural gas in the US.

600. Furthermore, the TRA finds that the CFPC has a sufficiently close nexus to previously included subsidies, specifically the BTC.

601. Therefore, the CFPC has been found to be a countervailable subsidy, that is likely to provide ongoing subsidisation and that it demonstrates a sufficiently close nexus to previously considered subsidies.

F4.2.3 Other countervailable subsidies

602. In addition, multiple existing subsidies from previous investigations, or newly alleged subsidies that demonstrated a sufficiently close nexus to previous subsidies, demonstrate likely ongoing subsidisation of the goods subject to review or a likelihood that subsidisation will recur. These subsidies are:

Federal Schemes

- a) Biodiesel Credit
- b) Small Agri-Biodiesel Producer Tax Credit
- c) USDA Bioenergy programme for advanced biofuel (BPAB)
- d) Alternative Fuel Vehicle Refueling Property Credit



State Schemes

- f) Washington State Biofuels Business and Occupation (B&O) Tax Reduction
- g) Iowa Biodiesel Producer Tax Refund
- h) Kentucky Biodiesel Production Tax Credit
- i) Illinois Biofuels Tax Exemption
- j) Kansas Biofuel Blending Equipment Property Tax Exemption
- k) Kansas Accelerated Depreciation of the Amortizable Costs of Biofuel Storage and Blending Equipment
- l) Michigan Incentive Program for In-State Sale and Production Biodiesel
- m) North Dakota Agriculturally Derived Fuel Production Facility Loan Guarantee
- n) North Dakota Biodiesel and Renewable Diesel Blender Income Tax Credit
- o) North Dakota Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit
- p) North Dakota Biofuels Partnership in Assisting Community Expansion (PACE) Loan Program
- q) North Dakota Clean Sustainable Energy Authority
- r) Missouri Biodiesel Producer Tax Credit

F4.3. Likely rate of subsidisation

603. In the absence of cooperation from overseas exporters or producers of the goods subject to review, the TRA has not considered it appropriate to quantify the likely rate of subsidisation from this subsidy programme.



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604. Council Regulation (EC) No 598/2009 determined subsidy amounts of between 29.1% and 41.1% for the participating overseas exporters. The TRA has not identified any evidence to indicate the likely rate of subsidy differs from the subsidy amount determined previously.
605. The TRA finds that subsidisation through the Biodiesel Mixture Credit that constituted the majority of the subsidy amount is likely to recur. The TRA finds that subsidisation has remained ongoing as the Biodiesel Mixture Credit was replaced by the Clean Fuel Production Credit. Although the benefit the new program confers might be expected to be reduced owing to the carbon intensity restrictions in comparison with the original investigation, the change to the benefit is not highly material. The difference between the change in benefit is likely to reduce in the upcoming years, due to the CFPC being inflation-adjusted and updated legislation altering the carbon intensity calculations. The TRA has concluded the likely rate of subsidisation from this programme would continue to be significant.
606. The TRA finds eighteen additional subsidy programs that are likely to provide ongoing subsidisation of the goods subject to review or that subsidisation of the goods subject to review is likely to recur.
607. Two of the programs were found to be countervailable in the original investigation, four of the programs were found to be countervailable in the subsequent expiry reviews, whilst twelve programmes have been newly alleged and demonstrated a sufficiently close nexus to previously considered subsidies.
608. The TRA concludes that subsidisation across all the relevant programmes would likely be significant.

F5. Conclusion on the subsidy likelihood assessment of biodiesel products originating from the US and consigned from Canada

609. The TRA reviewed all relevant subsidy programs to provide a holistic picture when determining the likelihood of subsidisation of US biodiesel products



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should the measure expire without replacement. Having done so, the TRA concluded that:

- a) There is sufficient evidence that subsidisation of the goods subject to review is continuing and is likely to continue.
- b) The likely rate of subsidisation of the goods subject to review is significant.



Section G: Whether subsidised imports are likely to recur

G1. Introduction

610. The imports of the goods subject to review were negligible throughout the period of review, which is discussed further in [Section H: Injury likelihood assessment](#).
611. The TRA analysed whether it was likely that subsidised imports would recur in significant quantities should the measure lapse. In particular, the TRA considered the ability of the US to export the goods subject to review to the UK and the incentives for US producers to export the goods subject to review to the UK.

G2. Assessment of the ability to export the goods subject to review to the UK

G2.1. Production Capacity

612. The [US Energy Information Administration \(EIA\)](#) data shows that the production capacity of US biodiesel for 2025 was 1,986 million gallons (6,613,380 metric tonnes). The production capacity remained consistently stable throughout the injury period with an average of 7 million metric tons per year.
613. The US biodiesel sector could be shifting towards fewer but larger scale facilities. While the plant count dropped from 72 to 48 (a 33% decrease) between 2022 and 2025, production capacity only fell from 7.5 million to 6.6 million metric tons (a 12% decrease), suggesting that the reduction in plant count may be due to the closure of smaller, less efficient facilities rather than simply a loss of technical capability
614. In addition to the production capacity, the US biodiesel production volume during the POI was 3.8 million tonnes. Given the production capacity and production volume for the POI, the US biodiesel industry had a spare capacity



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of approximately 3 million metric tons which is 42% of the production capacity.

Table G2.1.1 demonstrated that the US consumption fell by 33% from 2022 to the POI. During the same period, the volume of spare capacity rose by 32%.

This shows that the US has significant capacity to increase export to foreign markets.

Table G2.1.1: Production Capacity and Spare Capacity of US biodiesel product

In metric tons	2022	2023	2024	2025
Number of Plants	72	59	56	48
Production Capacity (Mt)	7,509,150	6,946,380	6,959,700	6,613,380
Average Capacity per Plant (Mt)	104,294	117,735	124,280	137,779
Production Volume (Mt)	5,401,260	5,651,010	5,564,430	3,829,500
Spare Capacity (Mt)	2,107,890	1,295,370	1,395,270	2,783,880
US biodiesel Consumption (Mt)	5,521,140	6,426,900	6,430,230	3,692,970
Capacity Utilization (%)	72%	81%	80%	58%
Spare capacity (%)	28%	19%	20%	42%

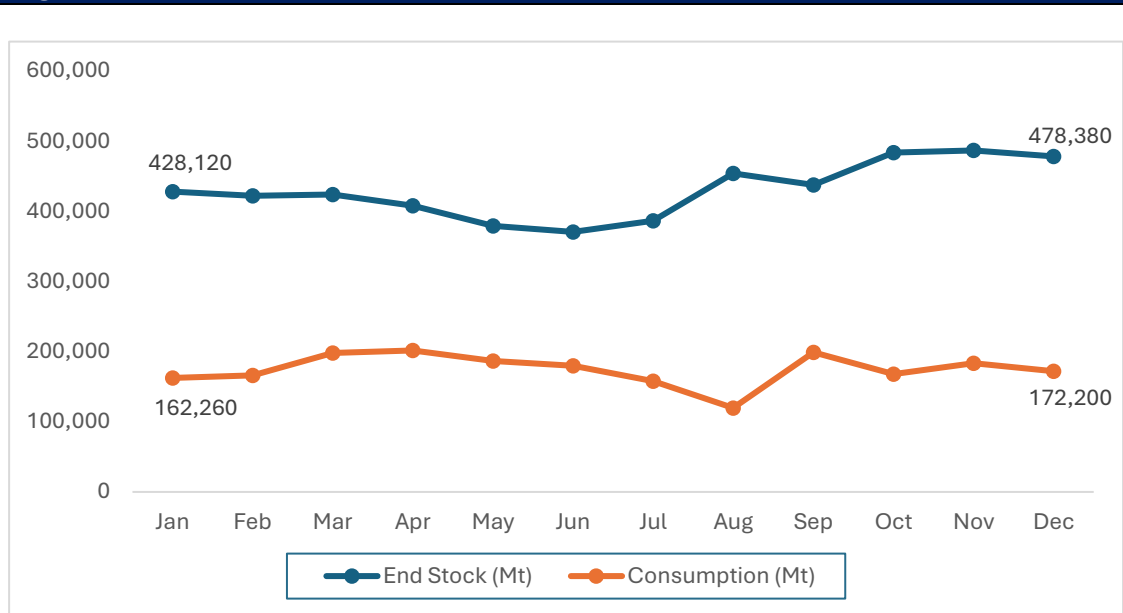
Source: [U.S Energy Information Administration](#)

G2.2. Inventory

615. [EIA](#) data indicates that during the POI, the US month-on-month biodiesel end stocks averaged 429,858 metric tons, while average domestic consumption, calculated using a simple average stood at 174,568 metric tons. Figure G2.2.1 illustrates the month-on-month changes in both biodiesel end stocks and consumption. Although both variables show regular monthly fluctuations, the average stock level is almost three times higher than the average domestic consumption, demonstrating a high inventory-to-consumption ratio. This pattern is also reflected at the end of the POI, where inventories reached 478,380 metric tons compared with a monthly consumption 172,200 metric tons.



Figure G2.2.1: US Biodiesel End Stock vs Consumption for the POI (2025)



Source: [US Energy Information Administration](#)

616. In addition, the stock-to-use ratio is 23%, which is calculated as the percentage of end stock value (478,380 metric tons) to the total consumption (2,094,820 metric tons) for the period. This value represents the total amount of surplus (buffer) stock left in the US at the end of the POI. A 23% ratio means the US biodiesel market has enough stock to cover roughly 84 days (0.23×365 days) of its total demand without producing anything.

617. With a high inventory-to-consumption ratio, coupled with high stock-to-use ratio, the US producers could export excess volumes into the export market like the UK to prevent excess storage.

G2.3. Ability to shift production to the goods subject to review

618. Although HVO and SAF are produced through high-pressure [hydrotreatment](#), and FAME is produced through low pressure transesterification, all three fuels rely on broadly similar feedstocks such as soybean oil, tallow and used cooking oil. This shared feedstock base provides US producers with significant feedstock flexibility, even if they cannot directly shift hydrotreating capacity into FAME production without major reinvestment.

619. During the POI, the US biodiesel industry had a spare capacity of 42% as shown in Table F2. This significant level of unused capacity provides an ability



for the US producers to increase output beyond domestic demand and direct additional volumes to export markets. By utilising this spare capacity, the US producers can expand production without incurring additional fixed costs, making increased exports economically attractive.

620. Soybean oil is the primary feedstock for FAME production in the US²¹⁵, but producers can be flexible in the feedstock used as a key input. Therefore, US producers have the ability to shift production to use inputs depending on feedstock prices, product values and mandate schemes by country, such as used cooking oil or tallow, that may make their product more attractive to the UK market.

G2.4. Conclusions on ability to export goods subject to review

621. The TRA reviewed the factors outlined in [Sections G2.1 to G2.3](#) holistically and concluded that the evidence indicates an ability for the US exporters to export biodiesel product to the UK if measures were allowed to expire.
622. The significant production capacity in the US, alongside high spare capacity (42% during the POI), a high inventory-to-consumption ratio, and a substantial proportion of the US producers able to switch feedstock strongly suggests that if measures were removed, US exporters would be able to redirect exports to the UK.

G3. Assessment of incentives to export the goods subject to review to the UK

G3.1. Whether overseas exporters have previously or habitually circumvented or absorbed the effects of trade remedies

623. The EU initiated trade remedy measures on biodiesel originating in the US in 2009. During the application of these measures, the [European Commission](#) identified circumvention practices by the US exporters, which includes the

²¹⁵ [University of Illinois – Farmdoc Daily](#)



transshipment of biodiesel through Canada and modifications to biodiesel blends designed to fall outside the product scope of the measures.

624. Due to these findings, the [Commission](#) extended the countervailing duties to biodiesel consigned from Canada, regardless of whether the goods were declared as originating in Canada or the US. Such an extension is only adopted where circumvention is found or strongly indicated. This demonstrates there is a practice by US producers to penetrate markets where there are countervailing duties in place via third-country routes.

G3.2. Current and projected conditions in third countries

Third country export volumes and prices

625. [USDA](#) export statistics reported total export volume from the US was 274,599.60 metric tons during the POI. The three largest export markets of US FAME during the POI were Canada (71%), Peru (27%) and the EU (1.5%), as shown by the export volumes within Table G3.2.1 below.

626. For the purposes of this assessment, and elsewhere in this document where export figures sourced from the USDA are referred to, these figures represent the export figures from the US declared under commodity code 3826000000. The TRA considers that this code is reasonably representative as it does not include diesel or exports of HVO, which can be included in other in-scope commodity codes. It is the TRA's understanding that 3826000000 also contains the greatest proportion of exports.

Table G3.2.1: Exports of US biodiesel product to third markets during the POI

Countries	Total Export Value (\$000s)	Total Export Volume (Mt)	% of Total Export	EXW price (£/Mt)
Canada	256,997	194,958.30	71.00%	937.00
Peru	53,381	73,959.30	26.93%	547.00
EU	3,957	4,112.00	1.50%	729.00
Others	2,023	1,570.00	0.57%	976.00
Total		274,599.60	100%	



627. The higher export price to Canada can be attributed to feedstock composition, as canola-based biodiesel is commonly used in the Canadian market. Canola oil is preferred in Canada because of its better resistance to extreme cold weather. As mentioned by the [European Commission's](#) 2021 expiry review of biodiesel imports from the US, the high-cost price of the canola feedstock explains the expensive export price observed for biodiesel exports to Canada. The [USDA Economic Research Service](#) estimated that the average price of canola oil over 2024/25 is around 55 cents/pound, compared with 48 cents/pound for soybean oil over the same period.
628. The [USDA's export statistics](#) show that the size of the US's export market to Canada is shrinking. Between 2024 and 2025, the volume of US biodiesel exports to Canada fell by 62% year-on-year. When comparing the period January to April in 2026 against 2025, the volume of exports fell a further 55%.
629. With less opportunity for US biodiesel producers to export to their largest export market, US producers are likely to be incentivised to search for other export markets such as the UK to export to instead of their traditional markets.
630. [Farmdoc daily](#) reported that biodiesel exports to Peru, the EU and others typically contain soybean oil as the feedstock, as soybean oil is the primary feedstock for FAME in the US, accounting for about 55% to 60% of total annual production.
631. This price disparity could be attributed to the difference in feedstocks and regulatory differences, as [Peru](#) does not impose measures on biodiesel blends below B50. Biodiesel blends comprised of higher proportions of mineral diesel are typically cheaper per gallon than higher biodiesel blends, due to mineral diesel being cheaper than biodiesel.
632. The EU market is more comparable to the UK than Peru is in terms of market characteristics related to biodiesel demand, such as the feedstock used and tariff structures.

Third country trade barriers



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633. Peru has consistently maintained anti-dumping and countervailing duties against US biodiesel over the years, and as of February 2025, the Peruvian National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOPI) initiated a sunset review of the duties applied to imports of pure biodiesel (B100) and blends with more than 50% biodiesel (B50) originating in the US. Peru's trade remedies authority maintained the duties against US biodiesel in December 2025.²¹⁶
634. Similarly, the [EU](#) conducted an expiry review in 2021 on biodiesel imports from the US. The anti-dumping and countervailing duties already in force were maintained and extended to cover all imports of the same product produced in the US, and includes those consigned from Canada. The measures applied by the EU are the same significant duty rates as applied currently by the UK.
635. Despite the presence of these ongoing measures, there is evidence of continued exports to both Peru and the EU. This suggests that in the absence of UK measures, exports would likely be diverted to the UK.

Other third country restrictions

636. The Renewable Energy Directive (RED) serves as the legal framework governing the advancement of renewable energy in the EU. The third iteration of the directive, known as [RED III](#), sets limits on biodiesel produced using food or feed crops. RED III is also strict with regard to feedstocks determined to have high indirect land-use change (ILUC), defined as feedstocks for which increased demand leads to agricultural expansion and the conversion of natural lands²¹⁷. RED III policy caps biodiesel produced using high ILUC feedstocks to 2019 consumption levels, with the limit decreasing to zero by 2030.
637. A [report](#) published in January 2026 by the European Commission found that soybeans should be classified as a high ILUC-risk feedstock. The EU has proposed to implement the findings of the report with [legislation](#) that is set to

²¹⁶ [Final Report on the Sunset Review Procedure to the Countervailing Duties in Force on Imports of Pure Biodiesel \(B100\) and Blends Containing More Than 50% of Biodiesel \(B50\) Originating in the United States of America](#) (Translated title but report remains in Spanish)

²¹⁷ [International Council on Clean Transportation, "Defining low and high indirect land-use change biofuels in European Union policy"; European Commission: Biofuels](#)



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reduce the proportion that high ILUC-risk biofuels can form a share of the renewable energy and greenhouse gas intensity reduction targets for each Member State down to 0% by 2030.

638. This cap limiting the mandate for soybean-based biodiesel reduces demand in the EU for US biodiesel.
639. While the UK has a crop cap in place (discussed in greater detail below), the UK has no equivalent to the ILUC directive that targets soybean-based biodiesel so directly. Moreover, the UK's crop cap is not so strict as to limit single-counted biodiesel to zero by 2030. Given this and the US's continued reliance on soybean oil as a raw material, the UK remains a more open market for US biodiesel exports compared to the EU, its closest comparable market.

G3.3. Current and projected market conditions in the UK

UK Demand/Consumption

640. The UK biodiesel market is typically fuel suppliers (often acting as blenders), who are the main purchasers of biodiesel. Their preferences are driven by the end-users and the Renewable Transport Fuel Obligation (RTFO), set by the Department for Transport (DfT) that involves the technical requirements to meet a specific standard, such as sustainability criteria for feedstocks and certificates through RTFCs.
641. The RTFO came into force in 2008 and aims to reduce greenhouse gas emissions from vehicles, ultimately supporting the Government's target of net zero by 2050. The [RTFO scheme](#) places an obligation on suppliers of road transport fuels who supply more than 450,000 litres or more to demonstrate that a proportion of the fuel they supply for use in the UK each calendar year comes from renewable sources (blending obligation). Suppliers may meet their obligation by redeeming Renewable Transport Fuel Certificates (RTFCs) or by paying a fixed sum for each litre of fuel for which they wish to 'buy-out' of their obligation.
642. The UK market is highly attractive for the biodiesel exporters because of the RTFO. The obligation increases gradually annually, rising from 14.05% in 2025

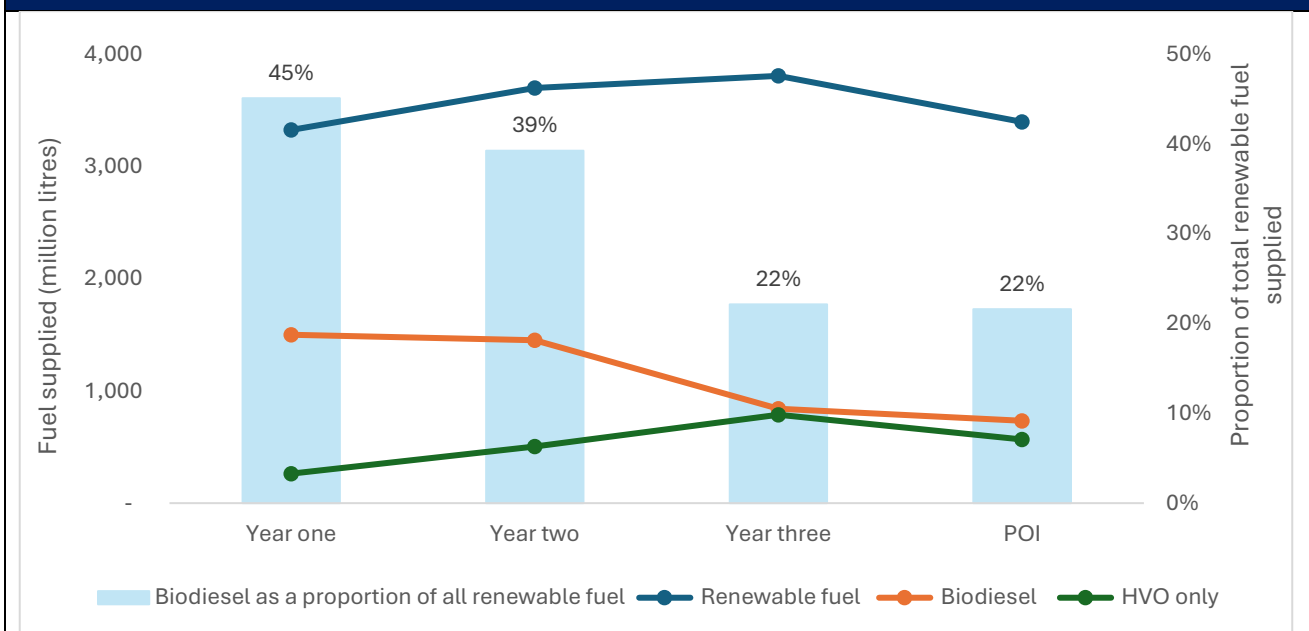


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to 17.68% by 2032. This creates a growing demand gap for UK fuel suppliers who currently need to rely on imported biodiesel to meet compliance requirements.

643. According to [RTFO statistics](#), UK biodiesel consumption decreased by 51% across the injury period. In the same period, relative to renewable fuel supply, biodiesel decreased by 23% as illustrated in Figure G3.3.1. Given the similar end user between HVO and FAME, the RTFO figures suggest that some of the demand has been met by the increase in HVO supply across the injury period.

Figure G3.3.1: RTFO Data on supply of renewable fuel, biodiesel, and HVO to the UK



Source: [RTFO Statistics](#)

644. In a commodity market where consumption is reducing, competition on price is likely to increase. Hence, overseas exporters may offer lower prices to gain market share. This is an advantage for US exporters with excess production capacity to offload surplus production at competitive prices.

645. In addition, the RTFO mandate ensures consistent demand for renewable fuels, which increases reliance on imports where domestic supply is insufficient. Even though the US soybean biodiesel is single-counted under the RTFO while the waste-based biodiesel is double-counted, a fuel supplier who is required to meet their legal quota may be incentivised to buy the lower-priced US product.



646. [RTFO Crop Cap](#) could create a barrier to the US biodiesel industry. This cap, set by the UK government, limits the proportion of crop-based biofuels (such as US soybean-origin biodiesel) that can be used to meet the RTFO blending target. This limit decreases over time, falling from 3% in 2026 to 2% by 2032 as illustrated in Table G3.3.1. The fuel target is an additional target specifically designed to encourage the use of advanced renewable fuels, such as fuels from waste feedstock or other low-carbon sources.

Table G3.3.1: RTFO Crop cap	
Obligation Year	Crop cap %
2023	3.50
2024	3.33
2025	3.17
2026	3.00
2027	2.83
2028	2.67
2029	2.50
2030	2.33
2031	2.17
2032 onwards	2.00

Source: [Renewable Transport Fuel Obligation compliance guidance: 2026](#)

647. In 2023, [crop-based feedstock](#) used in the production of US biodiesel comprised of soybean oil, canola oil and corn oil, which was approximately 78% of total feedstock, compared to 22% waste-based feedstock used in US production. Crop-based feedstocks are subject to the crop cap, which limits the number of RTFCs that can be claimed from crop-based fuels. Waste-based fuel receives double credits (two certificates per litre), and crop-based fuel receives one certificate per litre. This makes crop-based biodiesel less valuable to the UK suppliers and reduces the attractiveness of the UK market to the overseas market.



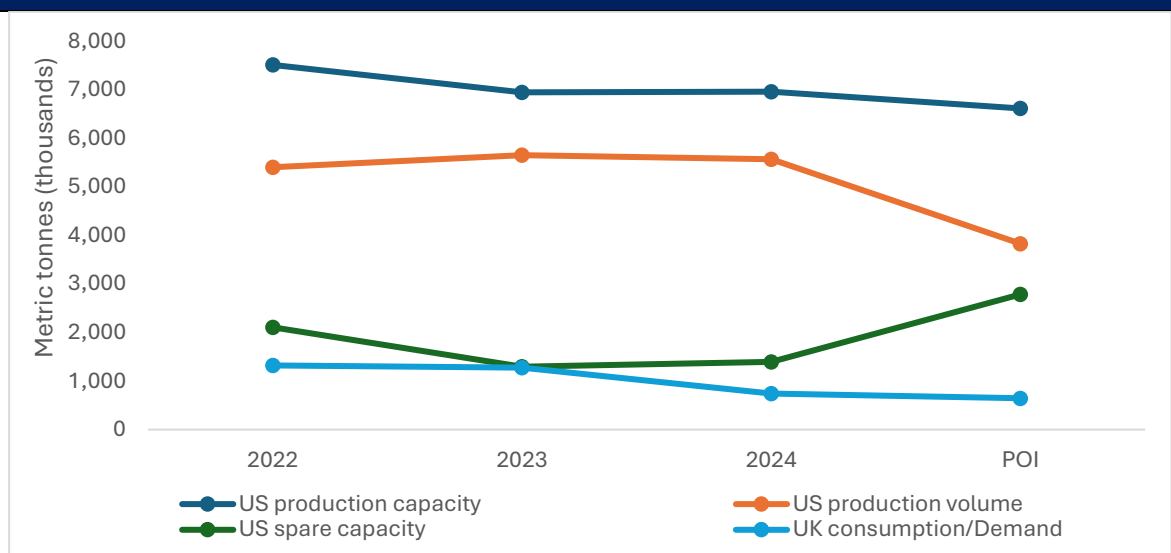
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648. However, waste-based US biodiesel remains a substantial proportion of US biodiesel production (22%). Waste-based US biodiesel is not subject to the crop cap and is eligible for double-counted RTFCs. It is because of this that US biodiesel producers would be incentivised to export this type of biodiesel to the UK market should measures expire.

UK consumption compared to US production and spare capacity

649. Figure G3.3.2 shows the UK's consumption of biodiesel during the injury period in relative to the US production volume, production capacity and spare capacity.

Figure G3.3.2: UK Consumption vs US production and Spare Capacity



Source: [RFTO Statistics](#)

650. The data shows that the US biodiesel production capacity and production volume consistently exceeded the UK consumption throughout the injury period. US Production capacity ranged between 6.6 and 7.5 million metric tonnes, while production volumes ranged between 3.8 to 5.6 million metric tonnes. On the other hand, UK consumption was significantly lower, declining from 1.3 million metric tonnes in 2022 to 0.6 million metric tonnes in 2025. This indicates that the US producers have sufficient capacity to supply the entire UK market, with the potential to provide an increase in supply that could lower prices significantly.



651. In addition, the US producers maintained a substantial spare capacity throughout the injury period. Spare capacity amounted to approximately 2.11 million metric tonnes in 2022, declined in 2023, and then increased in 2024, reaching its highest level of around 2.78 million metric tonnes in 2025.
652. By contrast, UK biodiesel consumption was significantly lower throughout the injury period, falling from 1.3 million tonnes in 2022 to 0.65 million tonnes in 2025. In each year of the injury period, US spare capacity was sufficient to meet total UK consumption. In 2025, US spare capacity was more than four times the size of the UK market.
653. These figures indicate that US producers possessed significant spare capacity that could be incentivised to target the UK market, and could lower prices significantly if they did so.

G3.4. Current and projected conditions in the overseas exporter's domestic market

Reduced US domestic demand

654. As discussed in [Section G2.1](#), the US production capacity remained relatively stable throughout the injury period. However, domestic consumption declined by 38%, resulting to a 69% increase in spare capacity.
655. In the POI, the inventory level in the US biodiesel industry was around three times the average level of consumption. The combination of surplus inventory and increasing spare capacity over time creates a strong incentive for the US producers to seek external markets.
656. Unlike the RFTO that requires fuel suppliers to meet an annual renewable fuel target or alternatively pay a buy-out fee based on eligible feedstocks, the US Renewable Fuel standard (RFS) is largely volume based, with mandates the quantity of renewable fuel expected to be produced and consumed within the domestic market. Also, the RFS compliance framework is more rigid compared to the RTFO. Non-compliance to RFS results in regulatory penalties, which encourages US producers to meet the required volumes.



657. The RTFO operates as a more flexible market-based system, which allows both domestic producers and qualified importers to obtain RTFC on equivalent terms. This flexibility makes the UK market more accessible to the US exporters. In circumstances where US producers experience surplus production or reduced margin in the domestic market, they may find it beneficial to export biodiesel to the UK, where participation in the RTFO scheme is not restricted.

G3.5. Conclusions on incentive to export goods subject to review

658. The TRA reviewed the factors outlined in [Sections G3.1 to G3.5](#) holistically and concluded that the evidence indicates incentives for the US exporters to export biodiesel product in the UK if measures were allowed to expire.

659. Shrinking traditional export markets, reduced domestic demand, the flexibility of the RTFC scheme, combined with existing EU anti-dumping and countervailing measures on US biodiesel and evidence of previous circumvention, collectively suggests that if measures were removed, US exporters would be incentivised to redirect exports to the UK, at subsidised or otherwise unfairly low prices.

G4. Conclusion on whether subsidised imports are likely to recur

660. The TRA analysed whether it was likely that subsidised imports would recur in significant quantities should the measure lapse. Having done so, the TRA concluded that:

- a) It is likely that producers of biodiesel products within the US have the ability to redirect significant volume of the goods subject to review to the UK; and
- b) It is likely that producers of biodiesel products within the US have strong incentives to export the goods subject to review to the UK.

661. The TRA therefore concludes that subsidised imports are likely to recur if the application of the countervailing duties were allowed to expire.



Section H: Injury likelihood assessment

662. In accordance with Regulation 70(6)(b) and (c), we will consider whether injury has been removed, or reduced, in whole or in part due to the application of the countervailing amount and whether the injury caused by the subsidised goods would be likely to continue or recur if the application of a countervailing amount to the goods subject to review were to expire.

H1. UK industry

663. In accordance with paragraph 6(1) of Schedule 4 to the Act, the UK industry is defined as all the UK producers of the like goods, as outlined in [Section C1.2](#).

664. For the purposes of this assessment, we have used Argent and Greenergy's consolidated data unless otherwise specified, as noted in C1.2.

H2. Volume analysis

665. When determining whether the UK industry is suffering injury, the TRA has considered whether there has been a significant increase of imports of the goods into the UK either in absolute terms (the volume of subsidised goods being imported into the UK market) or relative to domestic production or consumption.

H2.1. Volume of goods subject to review in absolute and relative terms

666. The TRA assessed changes in the total volume of imports of the goods subject to review imported into the UK from the US and consigned from Canada using confidential HMRC raw customs declarations data.



Table H2.1: Imports of biodiesel from the US during the injury period and POI

	Year one	Year two	Year three	POI
All imports (tonnes)	(4.5 million to 5.5 million)	(6 million to 7 million)	(2.5 million to 3.5 million)	(0.5 to 1 million)
Import proportion of goods subject to review	0%	0.2%	1.17%	0%
All imports (indexed)	100	138	63	13
Import volume of the goods subject to review from the US (indexed)	100	198,070	475,577	3
<i>Source: Confidential HMRC 10-digit raw customs declaration data</i>				

667. The analysis shows imports of the goods subject to review were insignificant in proportion to all imports.

668. We also assessed imports of the goods subject to review relevant to both UK production and UK consumption using UK producer submissions and facts available. In both assessments, we determined the volume of imports of goods subject to review were insignificant compared to UK production and UK consumption. We have therefore conducted a likelihood assessment to determine whether injury is likely to recur should the measures expire.

H2.2. Likelihood of significant import volumes to recur should the measure expire.

669. [In Section F](#), the TRA reviewed whether the subsidisation of the goods subject to review continued during the period of investigation and whether it is likely to recur. In this section, the TRA considers whether a significant volume of imports would recur.

670. [In Section G](#), the TRA considered whether subsidised imports are likely are likely to recur, and considered it was likely that this would happen if the measures were revoked.

671. The factors reviewed relevant to whether imports of significant volume are likely to recur were:



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- Production capacity;
- Inventories; and
- Ability to shift production.

672. The factors reviewed relevant to the incentive to export significant volumes were:

- Historic import volumes
- Current and projected market conditions in the UK;
- Conditions and projected market conditions in the US; and
- Current and projected market conditions in third countries.

673. The same factors which would indicate a higher likelihood of subsidised exports also mean there is a higher likelihood of significant volumes of imports.

674. The TRA therefore concludes that should the measure expire without replacement, significant volumes of imports originating in the US and consigned from Canada would be likely.

H2.2.1 Historic import volumes

675. No exports of biodiesel from the US to the UK were recorded in the period immediately preceding the introduction of EU anti-dumping²¹⁸ and countervailing²¹⁹ measures in 2009.

676. The TRA used Global Trade Tracker (GTT) data to assess the historic import volumes of biodiesel of US origin. The volumes remained negligible or zero. HMRC import data corroborates that import volumes were negligible in 2020 and 2021. This might demonstrate an effect of the countervailing and anti-dumping duties that are currently in place.

²¹⁸ [Council Regulation \(EC\) No 1225/2009](#)

²¹⁹ [Council Regulation \(EC\) No 598/2009](#)



H2.2.2. Current and projected market conditions in the UK market

677. Current and projected market conditions in the UK market have been addressed in [Section G3.3](#). This indicates that the UK will remain an attractive destination for US biodiesel suppliers. As renewable fuel consumption is declining, competition on prices has increased. Should the measure expire, these market conditions would encourage US biodiesel exporters to export significant volumes of biodiesel to the UK market.

H2.2.3. Current and projected market conditions in the US

678. Current and projected market conditions in the US have been addressed in [Section G3.4](#). While US production capacity remained stable, domestic consumption declined heavily, resulting in spare capacity. Inventory levels also rose to around three times the consumption. These conditions create strong incentives for US producers to seek external markets. US exporters would have ability and incentive to export significant volumes of biodiesel to the UK market were the measures removed.

H2.2.4. Current and projected market conditions in third countries

679. Information concerning current and projected market conditions in third countries has been addressed in [Section G3.2](#). Export activity during the POI was concentrated in a number of destinations, particularly Canada and Peru, demonstrating export capability. Peru and the EU have introduced measures against biodiesel of US origin, which can constrain US export opportunities. When considered alongside the UK's RTFO framework, the TRA considers that the UK would be an attractive destination for US biodiesel exporters.

H2.3. Volume analysis conclusion

680. The TRA believes that there is evidence that biodiesel producers in the US would seek to export to the UK.

681. Currently, import volumes of the goods subject to review are low. However, the evidence indicates that significant import volumes from the US are likely to recur if the measure were allowed to expire. The US retains substantial



biodiesel production capacity and inventories, while market conditions in the US provide incentives for producers to seek export opportunities. While third countries import US biodiesel, there are restrictions in place that limit US ability to export to these countries. Projected market conditions in the UK make the UK an attractive market for these exports.

682. The TRA's findings in relation to these factors allows for a determination that US biodiesel exporters have the ability and incentive to export significant volumes of biodiesel to the UK if the measures were to expire.

H3. Price analysis

683. To assess the effect of the subsidised exports of biodiesel on prices of the like goods in the UK during the injury period, the TRA has considered whether they have undercut, depressed or suppressed domestic prices of the like goods produced in the UK to a significant degree.

684. Where volumes of imports are not found to be significant, the TRA has assessed the likelihood that injury would recur should the measures be allowed to expire and significant import volumes resume.

H3.1. Significance of price undercutting, depression or suppression and likelihood of continuation

685. When considering the impacts or likely impacts of imports upon prices, the TRA first assesses whether the imports continued over the injury period at sufficient levels to perform an analysis on actual impacts.

686. Due to the negligible imports of US biodiesel addressed in Section H2, it is not possible for the TRA to assess the likelihood of significant price undercutting, depression or suppression continuing.

H3.2. Likelihood of recurrence of significant price effects

687. In line with Regulation 70(6)(c) of the Regulations, the TRA has undertaken a likelihood assessment of whether, if the measure were removed, significant price effects would recur.



688. In Section F, the TRA considered whether subsidised imports are likely to recur, and considered it was likely that this would happen were the measures revoked.

689. The factors reviewed relevant to whether subsidised imports of significant volume are likely to recur were:

- Historic import prices;
- Current and projected market conditions in the UK;
- Conditions and projected market conditions in the US; and
- Current and projected market conditions in third countries.

H3.2.1 Historic import prices

690. The TRA assessed the historic import prices of biodiesel of US origin. Given the absence of significant imports outlined in Section H2.2.1, the corresponding import prices are not considered meaningful for the purposes of assessing pricing behaviour.

H3.2.2 Current and projected market conditions in the UK

691. Current and projected market conditions in the UK market have been addressed in the [Section G3.3](#). As biodiesel consumption is declining, competition on prices has increased. Should the measure expire, these market conditions would encourage US biodiesel exporters to export significant volumes of biodiesel to the UK market.

692. Imports from third countries into the UK declined substantially between year 3 and the POI. This was likely due to the introduction of anti-dumping measures against the People's Republic of China (PRC), reducing imports of biodiesel. Nonetheless, imports from third countries remain high compared with UK industry domestic sales.

H3.2.3 Current and projected market conditions in the US

693. [Section F](#) outlines subsidies and the likely rate of subsidisation of biodiesel in the US market. The TRA has determined that a likely rate of subsidisation



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exists in the US market. Subsidy programmes would help overseas exporters to lower prices of the goods subject to review that may significantly impact the price of the UK like goods.

H3.2.4 Current and projected market conditions in (major) third countries' domestic market

694. In the absence of significant UK imports of the goods subject to review, we have assessed third-country imports from the US to establish the likelihood that US imports to the UK could impact the UK industry if the measures expired.

695. Table H3.2.4 shows the global and specific country import prices of the like goods from the US. The global price is an average biodiesel price to all import destinations

Table H3.2.4: Global and country import price of US biodiesel				
	Year one	Year two	Year three	POI
Global import price (£/mt)	1,693	1,500	1,136	1,035
Canada (£/mt)	1,659	1,460	1,104	976
Peru (£/mt)	960	749	619	570
Germany (£/mt)	788	954	694	877
<i>Source: Global Trade Tracker²²⁰</i>				

696. We compared the global import price from the US to the UK domestic price during the injury period. We observed that the average global US global import price was consistently lower than the UK domestic sales price.

697. We also compared specific countries (based on largest proportion of imports during the injury period) and assessed their import price of the goods from the US. Imports to Canada, Peru and Germany were all made at prices lower than the UK domestic price; although Canada and Peru are geographically closer to the US than the UK, the German import price of the goods suggests that the import price would still undercut the UK industry price, despite both Peru and the EU currently having measures in place against US biodiesel.

²²⁰ To note: Global, Canada and Germany prices established using commodity code 382600. Peru established using code 271020; US exports indicated volumes exported under 382600, however Peru import data only recorded imports under 271020; due to the recorded export price of 382600 and 271020 from US to Peru being similar, we have decided to include Peru import data under code 271020 for the purposes of this assessment.



698. We further assessed the import prices from the US against the average price of imports into the UK; with the exception of the POI, average import prices into the UK were lower than import prices from the US; however, this was due to low-priced imports from the PRC that were a significant proportion of all UK imports that drove the UK average import price down. Excluding imports from the PRC, we observed third country import prices from the US - including imports to Germany - were consistently below the UK import price throughout the injury period.

H3.3. Price analysis conclusion

699. The TRA considers there is a likelihood of significant price effects recurring if the measures were expired. While historic import prices provide limited evidence due to the absence of significant imports during the injury period, the evidence indicates that the US biodiesel industry retains spare production capacity, continues to benefit from government support mechanism and faces declining domestic demand. In addition, US producers continue to export significant volumes of biodiesel to third-country markets, with evidence indicating that these imports are below UK market prices. Taken together, these factors indicate that US imports would likely enter the UK market at prices which would undercut the UK industry if the measures were to expire.

H4. Economic factors analysis

700. In considering the impact of the exported subsidised goods on the UK industry, the TRA has considered relevant economic factors and indices having a bearing on the UK industry, including:

- actual and potential decline in sales, output, market share, productivity, return on investments, and utilisation of capacity;
- factors affecting domestic prices of the like goods;
- actual and potential negative effects on cash flow, inventories, employment, wages, growth, the ability to raise capital or investments.



H4.1. Sales

701. The TRA assessed the changes in the volume and the value of the UK industry's sales during the IP.

Table H4.1: UK producers' sales by volume and value (Indexed)				
	Year one	Year two	Year three	POI
Domestic sales volume	100	50	242	231
Domestic sales value	100	44	149	149
Domestic sales price	100	87	62	65
Export sales volume	100	100	77	63
Export sales value	100	68	49	43
Source: Questionnaire responses				

702. Domestic sales value and volume showed an overall increase over the injury period while export sales fell. The increase in year three of domestic sales may be due to the repeal of HMRC's inward processing relief in mid-2024. Inward processing relief had allowed biodiesel importers to pay the diesel customs duty of 0% at the border if they blended FAME with diesel before crossing UK customs. This increase in UK domestic sales may have been maintained into the POI as a result of UK implementation of anti-dumping duties against biodiesel from the PRC in 2025.

703. The TRA found that while the volume of UK producer domestic sales (either sold as B100 or as a blend) increased across the injury period, the UK producers domestic sales of biodiesel (either sold as B100 or the bio-content sold in blended fuel) declined over the injury period.

704. Sales price trends show that the UK producers domestic sales price decreased across the injury period. This may reflect ongoing competition with third-country imports, as discussed within Section H5.



H4.2. Output, capacity, capacity utilisation and market share

Table H4.2.1: UK industry output, by volume and value (Indexed)

	Year one	Year two	Year three	POI
Output by volume	100	97	80	63
Output by value	100	75	57	47
Capacity	100	100	95	74
Capacity utilisation	100	97	84	86
UK industry market share	100	85	141	126
<i>Source: Questionnaire responses</i>				

705. The TRA assessed the changes in the production output, capacity and capacity utilisation of the UK producers across the injury period.

706. Output is measured by the volume of the like goods produced by the UK producers during the injury period. Production capacity is a measure of the maximum biodiesel that can be produced over a respective period. The output and capacity data used in this review is based on biodiesel in pure form.

707. Output by volume and production capacity decreased 37% and 26% respectively over the entire injury period. The loss of capacity was due to the closure of Argent's Motherwell biodiesel plant and the closure of Greenergy's Immingham biodiesel plant. Both companies cited injurious imports as a factor in the decision-making behind these closures.

708. Capacity utilisation shows an overall decrease, which is reflected in output volumes. Despite falling capacity, producers continue to operate at below their potential output volumes.

Table H4.2.2: Market size

	Year one	Year two	Year three	POI
Total Market (million litres)	1,501	1,453	843	734
<i>Source: RTFO data</i>				

709. The UK producers market share fluctuated over the injury period, ultimately increasing by 26%. However, the UK industry continued to account for only a small share of the UK biodiesel market. Total UK biodiesel consumption

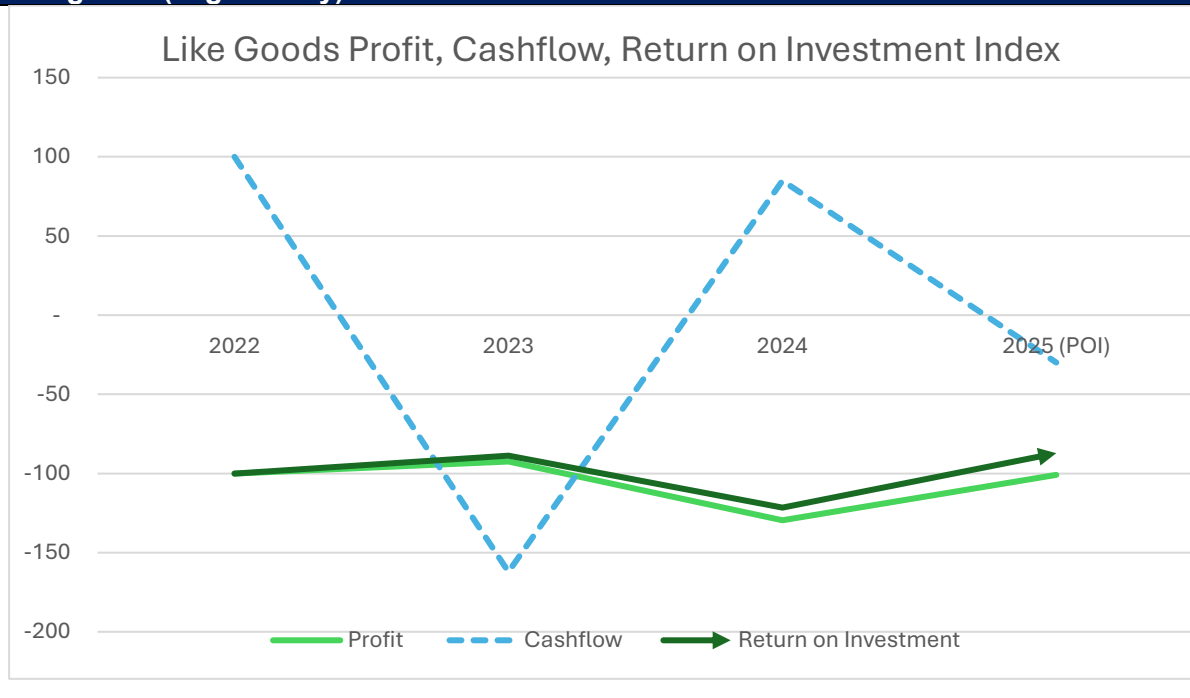


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declined substantially over the injury period by approximately 51%. Despite a decrease in output, the UK producer market share increased. The UK producer increase in market share occurred in a context of a contraction in the market and did not reduce the injury experienced by UK producers.

H4.3. Profit, cashflow and return on investment

Graph H4.3: Net operating profit before tax, cashflow and return on investment for like goods (Argent only)



Source: Argent questionnaires

710. The graph above provides Argent's like goods profits, cashflow and return on investment (ROI) for the injury period. Greenergy did not provide profit data for the purpose of this analysis and is therefore not represented in the table. Profits from the like goods and cashflow show similar trends to Argents publicly available financial statements data for the whole company.²²¹

711. The cashflow and ROI trends indicates restrictions in Argent's ability to invest and to respond to challenging market conditions. This restricts the producers' ability to respond during periods of injury.

²²¹ [Argent Energy Limited - Full Accounts - Companies House](#). Argent demonstrates an operating loss of -£29,985,000 in the POI and -£24,797,000 in year three across the organisation.



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712. The continued losses observed indicate an ongoing financial vulnerability to dumped and subsidised imports.

H4.4. Stock levels

Table H4.4: UK industry stock levels, by volume and value (Indexed)				
	Year one	Year two	Year three	POI
Volume of closing stock	100	81	72	87
Value of closing stock	100	63	69	59
<i>Source: Questionnaire responses</i>				

713. Stock levels declined over the injury period, falling by 13% from year one to the POI. Stock values also declined by 41%. The decline in stock is consistent with a decline in output and sales volumes. While lower stock levels can indicate improved sales performance, the evidence in this review suggests that the levels reflect reduced production and market activity.

H4.5. Productivity, employment and wages

Table H4.5.1: Argent employment and productivity figures (Indexed)				
	Year one	Year two	Year three	POI
Total FTE for like goods	100	102	79	74
Productivity in volume per FTE for like goods	100	96	102	86
<i>Source: Questionnaire responses. Argent and Greenergy FTE for like goods figures and average output in volume used for all four years. Greenergy figures for POI adjusted using audited financial statements.</i>				

714. The TRA assessed the changes in the employment and productivity of the UK producers during the injury period. Information pertaining to Greenergy concerning the median wage for FTE engaged in activities to the like goods has not been provided in this table.

715. The number of employees producing the like goods declined over the injury period. While employee numbers increased between year one and year two, they fell significantly in year three and to an indexed value of 74 during the POI.

716. While the median annual wage of employees who produced biodiesel rose over the period of injury, the average output in volume decreased from year one to



the POI. We are also aware the median annual wage is benchmarked to similar industries.

717. Argent's biodiesel plant near Motherwell closed in May 2024.²²² This is during year three of the period of review. Greenergy confirmed consultations to cease production in July 2025.²²³ This had a negative impact on the number of employees.

718. This suggests that the UK industry was required to significantly reduced staffing level in response to injury. It also indicates that producers would be more liable to further injury were imports from the US to recur, as there would be further pressure on employment levels.

H4.6. Growth

719. As identified in Table H4.2.2, biodiesel consumption in the UK decreased by 51% between year one and the POI. This indicates that the overall UK biodiesel market contracted during the injury period. UK producers were operating in a declining market where it is difficult to achieve significant growth in sales, output or investment.

720. In addition, we have observed decline in a number of key factors for the UK producers. We found that output showed significant decline, as did capacity (following the closure of Immingham and Motherwell plants). We found that Argent's UK profits, ROI and cashflow demonstrated negative trends across the injury period.

721. Holistically, these trends are not indicative of an UK industry showing growth.

H5. Other factors that could cause injury

722. The TRA has considered whether any other factors have caused or are likely to cause injury to UK industry.

²²² [Argent Energy is to close Newarthill plant 'within weeks' | Glasgow Times](#)

²²³ [Greenergy proposes to end production at its Immingham plant](#)



H5.1. Imports of biodiesel from third countries

723. Third countries exported a large amount of biodiesel to the UK during the period of review. As indicated in [Section H4.6](#), UK producers make up a small percentage of the UK biodiesel market.

Table H51: Average third country import price (£/mt) (indexed)

	Year one	Year two	Year three	POI
Average third country import price (£/mt)	100	76	69	98

Source: Confidential HMRC 10-digit raw customs declaration data.

724. The average import price from third countries fell in year two and remained below the UK industry price throughout the period of review, including during the POI. The lower prices observed in year two and three were significantly influenced by dumped biodiesel imports from the PRC. This demonstrates that UK producers have been required to compete against low-priced imports, which contributed to the loss of market share between year three and the POI.

725. Although the average third-country import price increased during the POI, it remained below UK industry price, demonstrating that price competition from imports persisted. This indicates that there is demand within the UK for biodiesel, as indicated in [Section H4.6](#), and that should the measures expire, there is a likelihood that US imports could enter the UK market and exert further pressure on UK production.

726. The UK import price of biodiesel during year two and year three fell due to significant volumes of dumped imports from the PRC. The UK import price remained low during year one due to significant import prices from third countries.

H5.2. The war in Iran

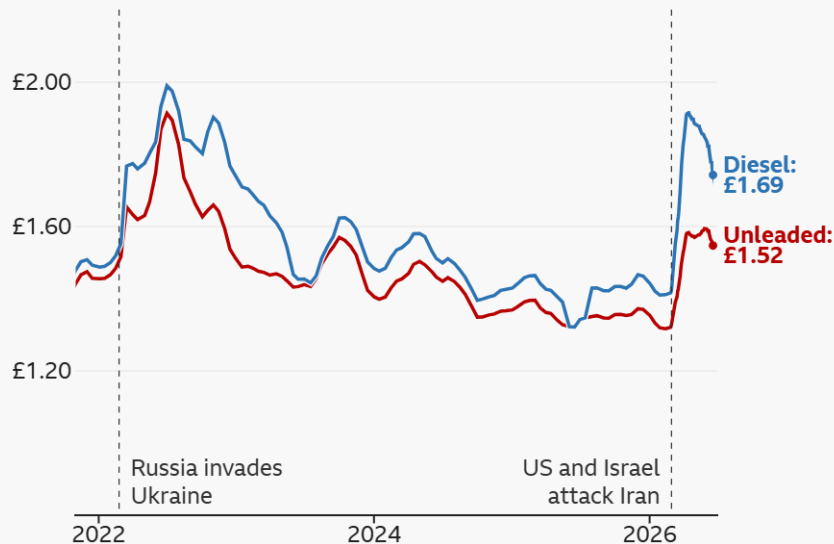
727. The war in Iran that began in February 2026 has impacted fuel security and made the price of oil volatile, mostly due to the closure of the Strait of Hormuz. This disruption has pushed up the price of oil and made the cost of shipping unstable.



Image H5.2: The price of diesel and petrol in the UK

Petrol and diesel prices start to fall after rising sharply

Average UK price per litre at the pump, including VAT



Source: RAC Fuel Watch. Last update: 26 June 2026
Note: Chart axis does not start at zero

BBC

Source: RAC Fuel Watch via the BBC²²⁴

728. Higher or volatile mineral diesel prices makes biodiesel more attractive, as markets seek to reduce exposure to mineral diesel price fluctuations.²²⁵ While this can be beneficial to UK producers, exporters with spare capacity, such as the US, have a stronger incentive to sell to markets where biodiesel demand is higher.

729. The war has also increased the cost for UK manufacturers.²²⁶ They have experienced higher input costs and delivery delays, and higher transport and fertiliser costs have increased the cost of producing agricultural feedstocks. These factors have rendered the UK industry more vulnerable.

730. Should the measures expire, these market conditions are likely to increase the attractiveness of the UK market to US exporters. A market characterised by

²²⁴ [Why are UK fuel prices rising again? - BBC News](#)

²²⁵ [What impact is the Iran war having on the British food sector? - LSE Business Review](#)

²²⁶ [UK factories, hit by Iran war, brace for higher costs and more delivery delays | Reuters](#)



declining demand for biodiesel and greater emphasis on energy security may provide opportunities for exporters with production to supply the UK.

H6. Conclusion on likelihood of injury assessment

731. The TRA has considered whether that injury has been removed or reduced due to the measure being in place and whether the circumstances in the exporting country are such that the injury is likely to continue or recur if the measure were no longer maintained.
732. The TRA concludes that injury to the UK industry would be likely to recur if the countervailing measure were no longer applied. Although imports of biodiesel originating in the US and consigned from Canada remained at low levels during the POI, this reflects the continued effectiveness of the measure rather than a lack of interest in export by US biodiesel producers.
733. The UK industry remains vulnerable, with a number of injury indicators deteriorating or remaining weak during the injury period, including sales price and sales volume of bio-content, stock, output, capacity and capacity utilisation, market share and growth, number of employees, and Argent's profitability, ROI and cashflow. In the absence of the measures, US producers would have the ability and incentive to increase exports to the UK market ([see Section G](#)), and would likely cause injury to UK producers and adversely affect them.



Section I: Economic Interest Test

I1. Introduction

I1.1. Legislative framework

734. This EIT is conducted in accordance with paragraph 25 of Schedule 4 to the Act and the Secretary of State's Statutory Guidance on how the TRA should apply the EIT. In expiry reviews the TRA can consider the EIT we conducted during the original investigation and assess data and evidence on the economic impact of the measures since they have been applied.

735. In accordance with regulations 70(12) and 75(2E) of the Regulations, the TRA must conduct the EIT and advise the Secretary of State whether and why the extension of the measure meets the test.

736. For anti-dumping and countervailing measures, the EIT is presumed to be met unless the evidence demonstrates that continuation of the measure is not in the economic interest of the UK.

737. In line with paragraph 25(4) of Schedule 4 to the Act, we have taken account of the following factors in conducting the EIT:

- the injury caused by subsidised imports to a UK industry in the goods and the benefits to that UK industry in removing that injury;
- the economic significance of affected industries and consumers in the UK;
- the likely impact on affected industries and consumers in the UK;
- the likely impact on particular geographic areas, or particular groups, in the UK;
- the likely consequences for the competitive environment, and for the structure of markets for goods, in the UK; and,
- such other matters as the TRA considers relevant.



I1.2. Evidence base

738. The analysis underpinning this assessment is drawn from:

- the transition review [TS0005](#) EIT findings;
- questionnaire responses and submissions for this investigation from interested parties; and
- additional background research.

I2. Injury to the UK industry and benefits of removing that injury

I2.1. Previous findings

739. In [TS0005](#) the injury likelihood assessment concluded there would be further injury to UK industry were the measure revoked. This was due to the vulnerability of the UK industry and the likelihood that subsidised imports would re-enter the UK market at prices that would undercut and suppress domestic prices.

I2.2. Assessment of significant material changes

740. Evidence indicates that since [TS0005](#) the UK market has contracted in size, and UK producers may have become more vulnerable.

741. The injury likelihood assessment ([Section H](#)) finds that, in the absence of the current measures, the import of goods subject to subsidy would likely recur, leading to the recurrence of injury to the UK industry.

I3. Economic significance of affected industries and consumers in the UK

I3.1. Previous findings

742. In [TS0005](#), the significance assessment found that UK biodiesel production was important for domestic producers. For upstream suppliers (e.g. feedstock



providers), dependence on sales for biodiesel production ranged from not important to important. Importers and downstream businesses were more diversified and less dependent on biodiesel sales. The largest biodiesel consumer group was found to be diesel car users. Biodiesel was not found to be important to this group.

13.2. Current assessment

743. We found limited evidence to suggest that the structure of the biodiesel supply chain had changed significantly. While overall FAME market size has declined over recent years, we do not believe this has materially changed the economic significance of affected industries and consumers. We consider that the previous findings remain relevant and reflect the current economic circumstances.

14. Likely impact on affected industries and consumers in the UK

14.1. Previous findings

744. In [TS0005](#), the impacts assessment found that extending the measure would:

- benefit UK producers and upstream industries by preventing injury and supporting domestic production;
- lead to importers and downstream businesses facing higher costs when sourcing from countries subject to the measure; and
- have a limited impact on downstream businesses and consumers, reflecting the small share of biodiesel in final product costs and the availability of alternative supply.

745. If the measure were revoked, the impacts assessment found lower-priced imports from the US could increase, which could negatively impact UK producers through price undercutting and loss of market share, while potentially benefiting importers, downstream businesses and consumers through lower prices.



I4.2. Current assessment

746. Evidence indicates that FAME demand in the UK continues to be driven by regulatory requirements, including the RTFO which has gone up.
747. But overall FAME consumption has declined since [TS0005](#), from 1762 million litres in 2019 to 843 million litres in 2024, according to RTFO yearly data releases.
748. No evidence has been found showing significant changes to price or availability of FAME.
749. Whilst this increased competition and the reduction in total market size may affect the absolute scale of impacts, there is no evidence to suggest that it has altered the direction or relative distribution of impacts across stakeholders.
750. We therefore consider there to have not been significant material changes, and that the findings of the previous assessment as to the impacts of the measure reflect the current economic circumstances.

I5. Likely impact on particular geographic areas or particular groups

I5.1. Previous findings

751. [TS0005](#) found that the available evidence did not suggest that there were areas where a significant portion of local employment would likely to be affected by the measure being extended or revoked.
752. There were no findings of specific or disproportionate impacts to particular groups or protected characteristics.

I5.2. Current assessment

753. Further to the Public Sector Equality Duty, when the TRA carries out its functions, including making determinations and recommendations, it must have due regard to the need to:



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- eliminate unlawful discrimination, harassment, victimisation and any other unlawful conduct prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share and people who do not share a relevant protected characteristic; and
- foster good relations between people who share and people who do not share a relevant protected characteristic.

754. The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

755. Having had due regard, the TRA considers that the proposed determination does not have an impact on the three aims of the duty.

756. Since TS0005, risks to producer vulnerability have increased. However, we believe these are insufficient to materially change the geographic distribution of impacts or the particular groups impacted.

I6. Likely consequences for the competitive environment, and for the structure of markets for like goods, in the UK

I6.1. Previous findings

757. [TS0005](#) found that extending measures would not significantly reduce competition, as multiple suppliers remain active; revoking measures could increase the number of suppliers but may distort competition through dumped imports; and overall market functioning would remain competitive under either scenario.

I6.2. Current assessment

758. Since [TS0005](#) evidence indicates that competition within the FAME market may have decreased due to an increase in UK trade remedy measures against third country FAME producers; however, downstream businesses do continue to have access to multiple international suppliers of FAME. In addition, competition from a second-generation biodiesel (HVO) and other biofuels is likely to have increased, providing an alternative competitive constraint.



759. Taken together, these changes appear to offset one another, therefore we believe there is no clear evidence of a material deterioration or distortion in the competitive environment.

17. Other relevant factors

17.1. Previous findings

760. [TS0005](#) did not identify any additional factors that would materially affect the EIT.

17.2. Current assessment

761. We have not identified any additional factors that would materially affect the outcome of the EIT. There is no evidence of new regulatory, environmental, or market development that would fundamentally alter the balance of costs and benefits.

18. Conclusion

762. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is presumed to be met unless the evidence demonstrates otherwise.

763. Having considered all relevant factors, we find that:

- a) extending the measure continues to provide benefits to UK producers, preventing the recurrence of injury from dumped imports;
- b) negative impacts on importers and downstream users remain limited and not disproportionate; and
- c) upon a full evaluation of the factors relevant to the EIT, the findings in [TD0004](#) remain relevant and reflect the current economic circumstances. Therefore, the expiry review did not necessitate a more detailed assessment of the EIT.

764. In short, while the measure may contribute to marginally higher input costs for certain downstream users, these impacts are outweighed by the need to



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prevent renewed injury to a domestically important industry, particularly in the context of increasing competitive pressures from alternative fuels.

765. Therefore, the TRA considers that the extension of the countervailing measures recommended in TS0005 meets the economic interest test.



Section J: Intended recommendation

766. We have found that it is likely that subsidisation of the goods subject to review is likely to recur if the application of the countervailing amount were to expire ([see Section F Subsidy likelihood assessment](#)).
767. We have found that it is likely that subsidised imports would recur in significant quantities should the measure lapse, due to US producers of the goods subject to review having the ability and incentives to redirect exports to the UK ([see Section G Whether subsidised imports are likely to recur](#)).
768. It is also likely that injury to UK industry caused by the goods subject to review is likely to recur, if the application of the countervailing amount were to expire ([see Section H Injury likelihood assessment](#)).
769. The TRA considers that the proposed extension of the measure in accordance with our intended final recommendation meets the EIT, as per Regulation 75(2E) of the Regulations ([see Section I Economic Interest Test](#)).

J1. Intended final recommendation

770. The TRA's intended final recommendation to the Secretary of State is that the period of the application of the countervailing amounts to the goods subject to review should be extended, pursuant to regulation 75(1)(c) and 75(2E) of the Regulations, so that it applies to the goods subject to review imported into the UK until 30 January 2031. This date is five years subsequent to the date when the measure would have expired (30 January 2026) had no expiry review been initiated (see Trade Remedies Notice 2022/09).
771. No information was received to lead us to consider that it was appropriate to amend the level of the countervailing amounts. Therefore, we intend to recommend to the Secretary of State that the subsidisation for all the goods subject to review be extended at the same level, pursuant to regulation 70(2)(a) of the Regulations. The rates of the countervailing duty applicable to the goods subject to review, and manufactured by the companies listed, shall be a fixed amount as shown in Tables A.1 and A.3 within [Annex A](#).



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772. The companies listed in Table A.2 in [Annex A](#) are exempted from the duty on category 1 goods.
773. The description of the goods to which the measures apply (that is, the goods subject to review) is set out in [Section D The goods](#). We have not considered it necessary to vary the goods subject to review or the description of those goods, nor have we received any comments or indications that we should consider doing so.
774. We intend to make this recommendation based on the conclusions we have reached, as summarised above



Annex A: Intended recommended rates

Table A.1: Intended fixed-duty rates			
Duty amount and additional codes for category 1 goods			
Country	Overseas exporter/producer	Duty amount (£/mt net)	Additional codes
Canada	All overseas exporters (except those specified in Table 3)	198.338	B999
United States	AG Processing Inc., Omaha	198.338	A942
United States	Archer Daniels Midland Company, Decatur	198.338	A933
United States	Cargill Inc., Wayzata	178.923	A934
United States	Green Earth Fuels of Houston LLC, Houston	178.588	A935
United States	Imperium Renewables Inc., Seattle	181.433	A936
United States	Memphis Biofuels LLC, Memphis	198.338	A942
United States	Peter Cremer North America LP, Cincinnati	176.747	A937
United States	Scott Petroleum, Itta Bena	198.338	A942
United States	Vinmar Overseas Limited, Houston	176.747	A938
United States	World Energy Alternatives LLC., Boston	176.747	A939
United States	Overseas exporters specified in Table B.3	183.609	As per Table B.3
United States	All other overseas exporters (unless otherwise specified)	198.338	A999
Duty amount and additional codes for category 2 goods			
Country	Overseas exporter/producer	Duty amount (£/mt net)	Additional codes
United States	Archer Daniels Midland Company, Decatur	198.338	A933
United States	Cargill Inc., Wayzata	178.923	A934
United States	Green Earth Fuels of Houston LLC, Houston	178.588	A935
United States	Imperium Renewables Inc., Seattle	181.433	A936
United States	Peter Cremer North America LP, Cincinnati	176.747	A937
United States	Vinmar Overseas Limited, Houston	176.747	A938
United States	World Energy Alternatives LLC., Boston	176.747	A939
United States	Overseas exporters specified in Table B.3	183.609	As per Table B.3
United States	All other overseas exporters (unless otherwise specified)	198.338	A999

Table A.2: Exception to duty on category 1 goods for specified overseas exporters		
Country	Overseas exporter	Additional codes



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Canada	BIOX Corporation, Oakville, Ontario	B107
Canada	Rothsay Biodiesel, Guelph, Ontario	B108
Canada	DSM Nutritional Products Canada Inc., Dartmouth, Nova Scotia	C114

The duty specified in Table A.1 does not apply to goods produced by overseas exporters specified in Table A.3.

Table A.3: Overseas exporters subject to £183.609 per tonne duty amount

Overseas exporter	Location	Additional codes
AC & S Inc.	Nitro	A941
Alabama Clean Fuels Coalition Inc.	Birmingham	A940
American Made Fuels, Inc.	Canton	A940
Arkansas SoyEnergy Group	DeWitt	A940
Arlington Energy, LLC	Mansfield	A940
Athens Biodiesel, LLC	Athens	A940
Beacon Energy	Cleburne	A940
Biodiesel of Texas, Inc.	Denton	A940
BioDiesel One Ltd	Southington	A940
BioPur Inc.	Bethlehem	A941
Buffalo Biodiesel, Inc	Tonawanda	A940
BullDog BioDiesel	Ellenwood	A940
Carbon Neutral Solutions, LLC	Mauldin	A940
Central Iowa Energy LLC	Newton	A940
Chesapeake Custom Chemical Corp.	Ridgeway	A940
Community Fuels	Stockton	A940
Delta BioFuels Inc.	Natchez	A940
Diamond Biofuels	Mazon	A940
Direct Fuels	Euless	A940
Eagle Creek Fuel Services, LLC	Baltimore	A940
Earl Fisher Bio Fuels	Chester	A940
East Fork Biodiesel LLC	Algona	A940
ECO Solutions, LLC	Chatsworth	A940
Ecogy Biofuels LLC	Tulsa	A940
ED&F Man Biofuels Inc.	New Orleans	A940
Freedom Biofuels Inc.	Madison	A940
Freedom Fuels LLC	Mason City	A941
Fuel & Lube, LLC	Richmond	A940
Fuel Bio	Elizabeth	A940
FUMPA Bio Fuels	Redwood Falls	A940
Galveston Bay Biodiesel LP (BioSelect Fuels)	Houston	A940
GeoGreen Fuels LLC	Houston	A940
Georgia Biofuels Corp.	Loganville	A940



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Green River Biodiesel, Inc.	Moundville	A940
Griffin Industries Inc.	Cold Spring	A940
High Plains Bioenergy	Guymon	A940
Huish Detergents Inc.	Salt Lake City	A940
Incobrasa Industries Ltd	Gilman	A940
Independence Renewable Energy Corp.	Perdue Hill	A940
Indiana Flex Fuels	LaPorte	A940
Innovation Fuels Inc.	Newark	A940
Integrity Biofuels	Morristown	A941
Iowa Renewable Energy LLC	Washington	A940
Johann Haltermann Ltd	Houston	A940
Lake Erie Biofuels LLC	Erie	A940
Leland Organic Corporation	Leland	A940
Louis Dreyfus Agricultural Industries LLC	Claypool	A940
Louis Dreyfus Claypool Holdings LLC	Claypool	A940
Middle Georgia Biofuels	East Dublin	A940
Middletown Biofuels LLC	Blairsville	A940
Musket Corporation	Oklahoma City	A940
Natural Biodiesel Plant LLC	Hayti	A941
New Fuel Company	Dallas	A940
North Mississippi Biodiesel	New Albany	A940
Northern Biodiesel, Inc.	Ontario	A940
Northwest Missouri Biofuels, LLC	St. Joseph	A940
Nova Biofuels Clinton County LLC	Clinton	A940
Nova Biosource	Senaca	A940
Organic Technologies	Coshocton	C482
Organic Fuels Ltd	Houston	A940
Owensboro Grain Company LLC	Owensboro	A940
Paseo Cargill Energy, LLC	Kansas City	A940
Peach State Labs Inc.	Rome	A940
Perihelion Global, Inc.	Opp	A940
Philadelphia Fry-O-Diesel Inc.	Philadelphia	A940
Piedmont Biofuels Industrial LLC	Pittsboro	A941
Pinnacle Biofuels, Inc.	Crossett	A940
PK Biodiesel	Woodstock	A940
Pleasant Valley Biofuels, LLC	American Falls	A940
Prairie Pride	Deerfield	A941
RBF Port Neches LLC	Houston	A940
Red Birch Energy, Inc.	Bassett	A940
Red River Biodiesel Ltd	New Boston	A940
REG Ralston LLC	Ralston	A940
Renewable Energy Products, LLC	Santa Fe Springs	A940
Riksch BioFuels LLC	Crawfordsville	A940



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Safe Renewable Corp.	Conroe	A940
Sanimax Energy Inc.	DeForest	A940
Seminole Biodiesel	Bainbridge	A940
Southeast BioDiesel LLC	Charlotte	A941
Soy Solutions	Milford	A940
SoyMor Biodiesel LLC	Albert Lea	A940
Stepan Company	Northfield	A941
Sunshine BioFuels, LLC	Camilla	A940
TPA Inc.	Warren	A940
Trafigura AG	Stamford	A940
U.S. Biofuels Inc.	Rome	A940
United Oil Company	Pittsburgh	A940
Valco Bioenergy	Harlingen	A940
Vanguard Synfuels, LLC	Pollock	A940
Vitol Inc.	Houston	A940
Walsh Bio Diesel, LLC	Mauston	A940
Western Dubque Biodiesel LLC	Farley	A940
Western Iowa Energy LLC	Wall Lake	A940
Western Petroleum Company	Eden Prairie	A940
Yokaya Biofuels Inc.	Ukiah	A941



Annex B: Interested parties and contributors

Table B.1 below lists the information submitted to the TRA by interested parties and contributors to date.

Table B.1: Summary of submissions on the public file received from interested parties and contributors			
No	Interested party name	Information received	Status
1	Renewable Transport Fuel Association (RTFA)	Registration form Comment Comment Comment	Applicant
2	Greenergy Fuels Limited	Registration form Questionnaire	Domestic Producer
3	Argent Energy (UK) Limited	Registration form Questionnaire	Domestic Producer
4	OLLECO	Registration form	Domestic Producer
5	Valero Energy Ltd	Registration form Questionnaire	Contributor
6	UK Oil Industry Tax Committee	Registration form	Contributor
7	Phillips 66 Ltd	Registration form	Contributor
8	Advanced Biofuels Canada Association	Registration form	Trade Body
9	United States of America, Department of Commerce	Registration form	Foreign Government
10	Global Affairs Canada	Registration form Comments Comments	Foreign Government
11	Office of the U.S Trade Representative	Registration form Questionnaire Questionnaire Questionnaire Questionnaire	Foreign Government



Annex C: Subsidy rates and countervailing duties

Table C.1: Original subsidy rates and countervailing duties calculated in Council Regulation (EC) No 598/2009							
Company Scheme	Biodiesel Mixture Credit (%)	Small Agri-biodiesel Producer Income tax credit (%)	Missouri qualified biodiesel producer incentive fund (%)	Texas fuel ethanol and biodiesel production incentive program (%)	Washington State biofuels production tax exemption (%)	Total (%)	Countervailing duty rate Euro per tonne net
Archer Daniels Midland Company, Decatur	31.3		3.8			35.1	€ 237.00
Cargill Inc., Wayzata	34.1	0.4				34.5	€ 213.80
Green Earth Fuels of Houston LLC, Houston	38.7			0.3		39	€ 213.40
Imperium Renewables Inc., Seattle	28.4				0.7	29.1	€ 216.80
Peter Cremer North America LP, Cincinnati	41					41	€ 211.20
Vinmar Overseas Limited, Houston	41.1					41.1	€ 211.20
World Energy Alternatives LLC, Boston	37.6					37.6	€ 211.20
Companies listed in Annex B of Council Regulation (EC) No 598/2009							€ 219.40
All other companies							€ 237.00



Annex D: Conclusions of likelihood of subsidisation per program considered

Table D.1: Summary of subsidies considered and the conclusion of likelihood of subsidisation per program			
Level of subsidy	Overall Subsidy programme	Specific subsidies where relevant	Subsidisation continuing or likely to recur
Subsidies found to be countervailable in the 2009 investigation			
Federal	Biodiesel Mixture Credit		Yes
Federal	Biodiesel Credit		Yes
Federal	Small Agri-biodiesel Producer Tax Credit		Yes
State	Texas fuel and biodiesel production incentive program		Yes
State	Missouri Qualified Biodiesel Producer Incentive Fund		No
State	Washington State Biofuels Production Tax Exemption	Business and Occupation tax	Yes
		Property tax	No
		Leasehold excise tax	No
Subsidies found to be countervailable in the 2015 expiry review			
Federal	Second Generation Biofuel Producer Credit		No
Federal	USDA Bioenergy programme for advanced biofuel (BPAB)		Yes
State	Kansas Qualified Biodiesel Fuel Producer Incentive		No
State	Iowa Biodiesel Producer Tax Refund		Yes
State	Kentucky Biodiesel Production Tax Credit		Yes
State	Florida Biofuels Investment Tax Credit		No
Newly alleged subsidies in application			
Federal	Clean Fuel Production Credit		Yes
Federal	Advanced Research Projects Agency-Energy (ARPA-E) (referred to as the "Energy Transformation Acceleration Fund")		No



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Federal	Alternative Fuel Vehicle Refueling Property Credit		Yes
Federal	Rural Energy for America Programme Renewable Energy Systems & Energy Efficiency Improvement Guaranteed Loans & Grants (REAP)		Yes
Federal	USDA Higher Blends Infrastructure Incentive Programme (HBIIP)		No
State	Illinois – Biofuels Tax Exemption		Yes
State	Iowa – Renewable Fuel Infrastructure Program		No
State	Kansas - Biofuel Blending Equipment Tax Exemption	Biofuel storage and blending equipment property tax exemption	Yes
		Biofuel storage and blending equipment tax credit	No
		Accelerated depreciation of the amortizable costs of biofuel storage and blending equipment	Yes
State	Michigan – Incentive Program for In-State Sale and Production Biodiesel		Yes
State	North Dakota – Agriculturally Derived Fuel Production Facility Loan Guarantee		Yes
State	North Dakota – Biodiesel and Renewable Diesel Blender Income Tax Credit		Yes
State	North Dakota – Biodiesel and Renewable Diesel Sales Equipment Income Tax Credit		Yes
State	North Dakota – Biofuels Partnership in Assisting Community Expansion (PACE) Loan Program		Yes
State	North Dakota – Clean Sustainable Energy Authority		Yes
State	Missouri – Biodiesel Producer Tax Credit		Yes
State	Alabama – Biofuel Production Jobs Tax Credit		No



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State	Montana – Biodiesel Tax Exemption		No
State	Montana – Refund for Taxes Paid on Biodiesel By Distributor Or Retailer		No
State	New Mexico – Biodiesel Blending Facility Tax Credit		No
State	Oregon – Production Property Tax Exemption (as part of the Rural Renewable Energy Development (RRED) Zone)		No
State	South Dakota – Biodiesel Blend Tax Credit		No
State	South Dakota – Biodiesel Tax Reduction		No
State	South Dakota – Tax Refund for Methanol Used in Biodiesel Production		No