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Report Highlights:

Argentina's biofuels sector is expected to remain subdued without significant policy reform, as there is little political will to advance biofuels policies and the current law caps mandate levels. Nearing energy self-sufficiency through Vaca Muerta shale development, the government seeks to open the market by lowering quotas, eliminating official prices, and broadening participation. Biodiesel production in 2025 is forecast at 1.2 billion liters, among the lowest on record with steady domestic use, exports at a near 20-year low of 340 million liters, and capacity utilization under 30 percent. Bioethanol production is rising on the strength of two good sugarcane harvests and a blend rate near 11.8 percent, supporting modest export growth. Despite no new policy reform on the horizon, the corn ethanol sector is poised for new investment between 2026 and 2028.

I. Executive Summary

Eighteen months have gone by since President Milei took office in December 2023. His administration is showing rapid success in straightening up the local macroeconomy, which the previous government had left under a delicate situation.

President Javier Milei has pursued an aggressive liberalization strategy to stabilize Argentina's economy over the last 18 months. Private projections for 2025 indicate annual inflation below 30 percent and a GDP expanding over 5 percent. In its first twelve months, the Milei administration delivered a budget surplus, the first in 19 years, after converting a 5 percent deficit in 2023 through spending cuts and higher revenues. Annual inflation eased from a peak of 239 percent in June 2023 to 39.4 percent in June 2025, although it is still more than three times the regional average.

Argentina remains one of the most closed and regulated economies in the world, though the current administration has prioritized liberalizing markets and reducing state intervention. In June 2024, Congress passed the "Bases Law" and Fiscal Reform, granting expanded executive powers and laying the foundation for structural economic changes. A key component is the Regime for Large Investments (RIGI), which offers tax, customs, and legal stability for foreign investments exceeding $200 million. In April 2025, the government announced reforms aimed at unifying the exchange rate, easing trade restrictions, and improving the investment climate. With mid-term elections scheduled for October 2025, there are indications President Milei's party could pick up additional seats in congress where it currently has very little support. If that were to happen, the President may be able to pass even more economic reforms. As a result, significant changes in the energy and biofuels sectors are anticipated.

Argentina's economy is very dependent on its agricultural sector, namely oilseed and grain exports. The country is currently focusing on expanding its energy sector, specifically in the important and large shale gas and oil reservoir in Neuquén province called Vaca Muerta with the idea of supplying the domestic market and exponentially increasing exports of gas and oil. The mining sector is also in great expansion with several large international investments in lithium and copper.

Renewable energy production is expanding primarily due to large investments in the wind and solar sectors. Current production of renewable energy totals 7,100 megawatts. The National Promotion of Renewable Energies Law (27,191) passed in 2015 mandates Argentina supply 20 percent of its electricity demand with renewable energy by 2025. However, despite recent investments, the rate is currently only 16-17 percent.

The local biofuels sector has been stagnant in the past several years because of laws regulating the sector, official policy or lack thereof, and political/economic decisions. Biodiesel is almost exclusively made from soybean oil, while bioethanol is made from sugarcane and corn. The mandate for bioethanol has been set at 12 percent for many years now and the actual blend rate is just short of the target, while biodiesel mandates have changed (up and down) several times and have a history of not being realized. Biodiesel exports have varied significantly over the past several years due to market restrictions in major destination markets.

The only notable biofuel policy development was in November 2024 when the administration submitted a bill to Congress to establish a new regulatory framework for biofuels aimed at promoting

sustainability, energy efficiency, and greater competition through price deregulation. The proposal sets a biodiesel blend mandate starting at 7.5 percent with 5 percent of it reserved for small and medium producers and rising to 10 percent by 2031 under a fully liberalized market. For bioethanol, the mandate would begin at 12 percent (split equally between corn and sugarcane), increase to 15 percent in 2027, and move to a deregulated market by 2031. However, this bill has yet to be passed through Congress.

Additionally, in August 2024, the group called Liga Bioenergetica, formed by the six provinces which have an important role in biofuel production in the country, presented a bill focused exclusively on biodiesel and bioethanol. The bill focuses on revamping the biofuel sector, increasing production and use, while reducing gasoline and diesel imports. It would allow Argentina to advance its environmental and climate change commitments.

Argentina's bioethanol effective blend rate for 2024 was 11.7 percent and is projected to increase to 11.8 percent in 2025, nearly reaching the blend mandate under current las of 12 percent. At the same time the effective average blend rate for biodiesel in 2024 was 6.8 percent and is projected at 6.6 percent in 2025, still slightly below the current B7.5 blend mandate under current law which increased the blend rate from 5 to 7.5 percent in June 2022.

Argentina's biofuels laws, enacted in 2006 and 2021, aim to address environmental goals, support rural development, and reduce fuel imports, but remain contentious—pitting farm groups and biofuel producers (especially small biodiesel plants) against oil companies and automakers, with policymakers shifting positions based on political and economic conditions.

Biofuels continue to play only a small role supporting Argentina's commitment to reduce greenhouse gas emissions by 2030 as the program stagnated and has not advanced in meaningful ways. There are currently no greenhouse gas (GHG) full life-cycle maximum emission criteria applied to biofuels. At the same time, there are currently no policies in place to advance commercialization of new biofuels, such as renewable diesel or SAF, which could significantly decarbonize road and air transportation, but are currently not present in the market. Additionally, the lack of light and heavy-duty engine fuel efficiency standards leads to biofuels playing a lesser role in Argentina than their potential.

Argentina's biofuels sector receives no direct financial support, relying instead on mandated blend rates, which have been reduced in recent years, particularly for biodiesel. Official prices are set, but infrequent adjustments in a high-inflation environment have strained producers financially. Biodiesel and bioethanol benefit indirectly from exemptions to liquid fuel and fossil carbon taxes.

Biodiesel exports are a main pillar of the local industry but vary significantly year by year based on policies, market dynamics in export destinations, and the price of diesel and biodiesel relative to the price of soybean oil. The EU continues to be the main market for Argentine biodiesel. The Argentine fuel ethanol market is expected to continue to be somewhat isolated from world markets with only marginal volumes being traded as production capacity currently has little surpluses for export.

The Biofuels Law 27640, of July 2021, requires that biofuels fulfilling the official mandate must be manufactured from domestically produced feedstock, effectively prohibiting the use of imported biodiesel or bioethanol.

Fuel Bioethanol Market 2025 Summary:

Argentine fuel ethanol production in 2025 is projected to reach a record 1.28 billion liters, driven mainly by strong output from the sugarcane sector for the second consecutive year. The Biofuels Law maintains a 12 percent gasoline blend mandate, split evenly between ethanol made from sugarcane and corn feedstock, with the 2025 average blend rate forecast at 11.8 percent. Meeting the mandate with rising gasoline demand will require about 1.17 billion liters for domestic use, leaving a surplus. This surplus will come largely from a major corn ethanol plant operating at full capacity despite slim margins resulting in an excess of 130 million liters for export, primarily to Brazil.

Biodiesel Market 2025 Summary:

Biodiesel production in 2025 is forecast at 1.23 billion liters, down 7 percent from last year, with domestic consumption steady but exports falling to 340 million liters—the second-lowest volume since the industry began in 2007. The blend rate is projected at 6.6 percent, below the 7.5 percent mandate, while production capacity remains unchanged, operating at over 70 percent idle. Soybean oil remains the primary feedstock.

II. Policy and Programs

Argentine biofuel policies are set at the national level by the Biofuels Law 27640 in place since 2021. The province of Cordoba has Law 10721 and the province of Santa Fe Law 14010 which focuses on biofuels. In October 2024 the province of Entre Rios passed a bill on biofuels and is now in the Provincial Senate. There are two other provinces currently analyzing the success of Cordoba's policies and are considering adopting similar programs in the future. Provincial programs create geographical pools of demand but do not impact overall national use for ethanol and impact on biodiesel use has remained small.

National and provincial policies to promote biofuel use have largely stalled in recent years, except for Córdoba province. While these policies aim to reduce the overall carbon intensity (CI) of transport fuels, they set no specific CI reduction targets (measured in gCO_2e/MJ) for biofuels themselves. Economically, biofuels are seen as a tool to spur rural development and add value to crops such as soybeans, corn, and sugarcane. The adoption of a new biofuels law or major reforms to the current framework could significantly boost production and consumption.

The 2021 Biofuels Law 27640 remains in effect, but in late 2024 two bills were introduced in Congress proposing major policy changes. The following summarizes the main provisions of each proposal:

- A Bill to Update Blend Rates, presented by a congresswoman on behalf of the administration in November 2024:
    - Opens the market to the official blend mandate to all participants, including oil companies (producers, distilleries, refineries) and large biofuels exporters, currently forbidden to participate.

- Mandate mixes will be 7.5 percent of biodiesel in diesel and 12 percent of bioethanol in gasoline. Blend rates will increase as of January 2027 to a minimum B12 and a minimum E15, equally divided between sugarcane and corn producers.
- For biodiesel, 5 percentage points will be reserved for small-medium producers, and the balance open to all companies.
- By 2031, the biodiesel blend rate will be 10 percent and bioethanol 15 percent, and in both cases, the market will be totally deregulated.
- Use for bunker and electric generation is exempted from blending.
- Biofuel prices will float freely, with no fiscal support or restrictions for the government. Sales will be through bids.
- The Executive Branch will be responsible for setting up the regime for imports and exports of biofuels. In the case of imports, the authorities could allow volumes to fulfill the mandate mixes if import parity prices of biofuels are lower than that offered locally.
- The project also includes setting official policies to produce, distribute and market advanced biofuels such as SAF, renewable diesel, bio-bunker, and biogas.

- A Separate Bill was also introduced by the Liga Bioenergetica, which was formed by the six main biofuel producing provinces in August 2024. The main provisions of this bill include:

  - Increase bioethanol mandate from the current 12 percent to E15 in January 2026. One year later, blends above E15 would be free and voluntary. The Secretariat of Energy, in the meantime, will work to approve flex fuel engines.
  - Set the biodiesel blend at 10 percent, reaching 15 percent in January 2028.
  - Oil companies can participate in the sector when blending above the volumes of B15 and E15.
  - Large vegetable oil crushers (mostly have large biodiesel plants) can participate in the offering under the mandate.
  - Deregulate prices, eliminate official mandate prices. Establishes a competitive scheme through tenders in tranches.
  - The price for each biofuel under the mandate cannot be higher than the import parity.
  - Eliminate quotas distributed among companies supplying under the official mandate. In the case of biodiesel, small companies which do not have crushing plants will be reserved 6.5 percent of the mandate mix. Above that percentage, large companies can kick in.
  - In the case of bioethanol, up to E12 bids will be assigned half to sugarcane producers and half to corn producers of ethanol. Above this threshold, percentages available to either.
  - The use of imported feedstock or biofuels for the mandate is delayed for 18 years.
  - Does not prohibit the use of imported feedstock or biofuels to be used outside the official mandate.

The government's market-oriented approach favors deregulation and is likely to push for its own biofuel proposal, which it views as balancing the interests of all market participants. However, provinces and most small-and-medium-sized biodiesel producers fear the plan would open the official mandate to large companies across sectors, leaving few smaller producers able to compete once the market is fully liberalized in 2031. They hope a final law will combine the most favorable elements of both competing bills.

*** *Biofuels Law 27640 (National Level) - July 2021*

On July 16, 2021, the Argentine Congress passed Law 27640, entitled "Regulation and Promotion Regime for the Production and Sustainable Use of Biofuels" replacing the original Biofuels Law 26093 of 2006, which expired in May 2021. Law 27640 will expire on December 31, 2030, and may be extended 5 more years. To date, not all provisions of the law have fully passed through the rule-making process. Key points of the law and latest regulations include:

- The mandated bioethanol blend rate with gasoline is a minimum of 12 percent, with a potential reduction to 9 percent. The bioethanol market is intended to be split evenly between sugarcane and corn feedstocks, but in the case where high commodity prices are deemed to negatively affect fuel prices, all reductions in blending will come from bioethanol produced from corn.
- The Law mandated a biodiesel blend rate with diesel at a minimum of 5 percent. However, in June 2022, Resolution 438/22 established that diesel be permanently mixed at 7.5 percent supplied exclusively by small and medium plants under the mandate.
- Only bioethanol and biodiesel produced in plants in Argentina using locally produced feedstock of agricultural origin or organic waste may be used to meet mandates.
- Biofuels are exempted from the tax on liquid fuels and the tax on carbon dioxide which are applied to fossil fuels.
- The Secretariat of Energy will be the authority with the power to regulate and control biofuels.
- Companies producing fossil fuels cannot own nor participate in companies producing biofuels under the mandate. If petroleum companies would in the future convert old refineries to produce Renewable Diesel (RD) and participate in the official mandate, they would have a limit of production capacity as only small and medium companies are eligible and the biofuels policy should be amended to consider RD a biofuel.
- The Secretariat of Energy could allow, if market conditions permit, the substitution of imported fossil fuels with local biofuels.
- The Secretariat of Energy will set and establish conditions for entities to consume internally produced biofuels, such as those used by bus companies, truck transportation and companies operating farm machinery and equipment.

** *Biofuels Law 10721 (Cordoba Province) - November 2020*

In late 2020 the Congress of Cordoba province passed the Law of Promotion, Development and Consumption of Biofuels and Bioenergy. Its goal is to promote the consumption of biofuels produced in the province using biofuels in cargo and public transportation, official fleets, and farm equipment. Cordoba is one of Argentina's leading producers of corn and soybeans, and the number one producer of corn bioethanol. The main points of the biofuel law/program are:

- Create a B100 program for the provincial fleet. The government is supporting the financing of the construction of 20 small biodiesel plants.
- Implement E85 and E100 for own fleet. Adjust the technology to incorporate flex fuel vehicles (Cordoba has several car manufacturers which produce flex fuel cars to export to Brazil).
- In 2023 the province inaugurated three gas stations to supply more than 6,000 official vehicles which should be running on biofuels.

- In late 2024 it inaugurated a gas station to sell all consumers B20 and E17. The company is projecting to continue to expand throughout the province.
- Since 2023 the first provincial laboratory has been certifying biofuel quality.

** *Biofuels Law 14010 (Santa Fe Province) - October 2020 - Updates Proposed November 2024*

The Santa Fe Province also has its own biofuels law, but implementation has been slow, and usage rates have remained close to national averages. The law promotes biofuel use in agriculture, transportation, logistics, government fleets, heat and power generation, and bunker fuel. The province produces about 80 percent of Argentina's biodiesel, supported by its concentration of large soybean crushing plants, biodiesel facilities, and export terminals centered around Rosario.

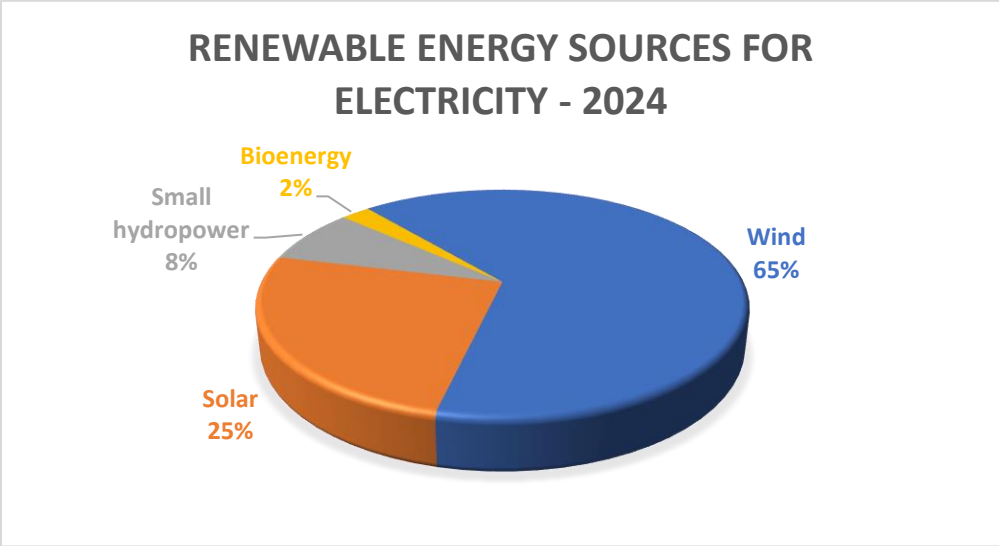
Renewable Energy, Greenhouse Gas (GHG) Emissions

Under the current Administration, movement on climate policies has stalled. Argentina's Ministry of Environment was downgraded to an under secretariat, and previous climate policies are now up in the air. At the same time, the country continues to put strong focus on the development of shale and gas production in Vaca Muerta, one of the world's most important shale reservoirs.

Based on the Emissions Gap Report (UNEP, 2016), Argentina accounted for 0.7 percent of global GHG emissions in 2014. In late 2021, at the UN Climate Change Conference, Argentina announced a Nationally Determined Contribution (NDC) of 349 MtCO2e by 2030. The main tools to reach this goal are the expansion of renewable energies (by 2030 at least 30 percent of the total energy matrix will have to be from renewable sources), financing, lower subsidies to fossil fuels, expansion of protected areas, and improved efficiency in industry, transportation and construction.

Argentina's Law 27,191/2015 requires that at least 20 percent of the country's electricity come from renewable sources by the end of 2025. In 2024, renewables accounted for only 16–17 percent of generation, with installed capacity at 6,673 MW. After years of slow growth, enforcement of compliance for large electricity consumers, combined with the pro-investment measures in the new Bases Law and Fiscal Reform, is expected to accelerate renewable energy development. Several major projects are under construction or recently completed—solar in the northern provinces, wind in Buenos Aires and the south, and biomass from the forestry sector. Industry contacts estimate that up to $4.5 billion could be invested in solar and wind power over the next three years.

Figure 2: Renewable Energy Electricity Sources in Argentina



Source: FAS Buenos Aires with Cammesa data – excludes large hydropower

The Biofuels Law 26093/2006, which mandated the initial obligatory mix of a five percent blend of ethanol in gasoline and five percent blend of biodiesel in diesel in 2010, was an important part of the country's early efforts to reduce GHG emissions. The law expired in May 2021 and was replaced by Biofuels Law 27640. Biofuels are part of Argentina's latest NDC presented in November 2021, encouraging the use of biofuels. The goals described in the Second National Plan of Adaptation and Mitigation to Climate Change (April 2023) report indicate the support to the adoption of biofuels considering competitive fuel prices, strengthening the country's trade balance, regional development, and considering the capacity of fuel refinement and the supply of feedstock. There is criticism pointing out the lack of details in the lines of actions, timeframe and quantitative targets by 2030. The country seems to be taking slower steps than needed to meet these aspirational goals of its GHG emission targets.

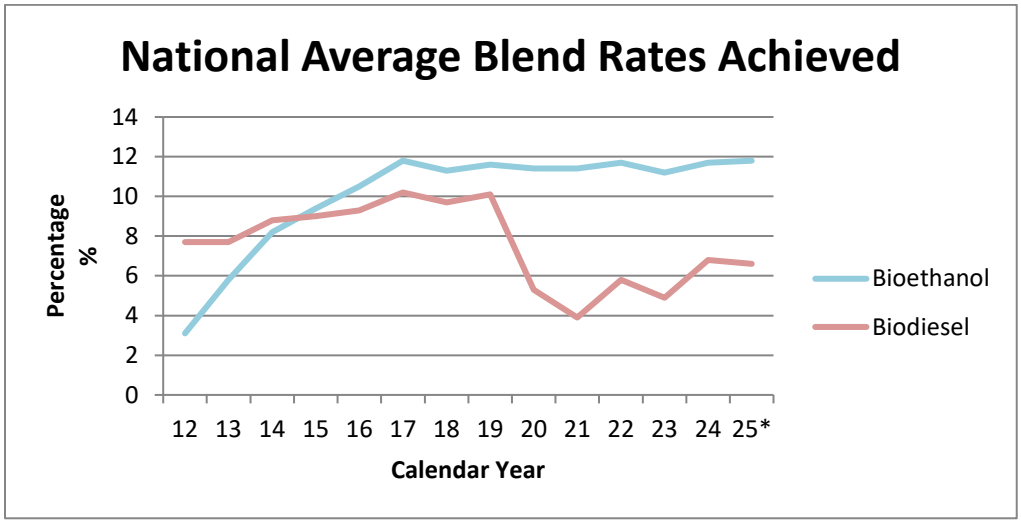
Biofuel Blending Mandates

The current Biofuels Law of 2021 initially mandated biodiesel blend rate with diesel at a minimum of 5 percent but in June 2022, Resolution 438/22 of the Secretariat of Energy increased the biodiesel mandate to 7.5 percent and can only be supplied by small and medium plants. Regarding bioethanol, the law maintains a 12 percent rate for bioethanol with an even split between corn and sugarcane but gives the Energy Secretariat the power to reduce the blend rate to 9 percent if economically necessary and all reductions are to be taken from the share provided by corn ethanol. In early July 2022, congressmen from Cordoba Province presented a bill to authorize flex fuel cars to run in the country. This province also has a specific provincial biofuels Law by which it is developing a network of producers and distributors. To date, several thousand official vehicles are running at B20 and E17. The program is expected to continue to expand and have more consumers use higher-content biofuels fuel. As mentioned, Santa Fe province is also expected to incorporate the use of biofuels more aggressively.

In January 2010, with the first biofuels law in place, Argentina mandated a blend rate of 5 percent bioethanol in gasoline and 5 percent biodiesel in diesel. The ethanol mix increased to 9 percent in January 2014 and 10 percent in February 2014. At the same time, a 10 percent biodiesel blend

requirement was added for power generation plants able to use a biodiesel blend, but it was never enforced and so far, very little has been used in this sector.

Figure 3: Bioethanol & Biodiesel Blend Rates



*Source: FAS Buenos Aires *Projection*
Covers all Diesel Pool for On/Off-road Use and excludes stationary power.

1) Official Biofuel Purchase Prices

Monthly official prices are set by the Secretariat of Energy for biodiesel and bioethanol that fuel blenders must pay to producers. In theory these prices should cover production costs and provide producers with a small return. However, due to high inflation and delays in updating official prices, biofuels producers lose money when official prices are not adjusted quickly enough to cover production costs.

Under the biofuels law, the Secretariat of Energy sets prices for the three biofuels (bioethanol prices are split in two depending on the feedstock used) under the mandate. These prices are periodically updated. The following table shows the official prices for sugarcane bioethanol, corn bioethanol and biodiesel since June 2024:

Table 1. Official Biofuel Prices June 2024-July 2025

Month/Year	Sugarcane Pesos/Lt	Sugarcane USD/Lt	Corn Pesos/Lt	Corn USD/Lt	Biodiesel Pesos/Lt	Biodiesel USD/Lt
Jul 2025	800	0.64	733	0.59	1146.4	0.92
Jun 2025	792	0.66	726	0.61	1124.2	0.94
May 2025	788	0.66	722	0.61	1102.2	0.93
Apr 2025	773	0.66	708	0.61	1049.7	0.90
Mar 2025	747	0.70	684	0.64	1014.2	0.94
Feb 2025	718	0.67	658	0.62	975.2	0.92
Jan 2025	704	0.67	645	0.61	956.1	0.91
Dec 2024	704	0.68	645	0.62	937.3	0.91

Nov 2024	683	0.68	626	0.62	901.3	0.89
Oct 2024	671	0.68	615	0.62	884.5	0.89
Sep 2024	657	0.67	603	0.62	867.1	0.89
Aug 2024	644	0.67	591	0.61	850.1	0.88
Jul 2024	635	0.67	582	0.62	837.7	0.89
Jun 2024	635	0.69	582	0.63	837.7	0.91

Source: Argentine Secretariat of Energy – using official exchange rate

For information on earlier pricing history, see past reports. Last year's report found here.

2) Exemption for Biofuels of Taxes on Liquid Fuels and Fossil Fuel Carbon Emissions

In December 2017, the Argentine Congress passed the Tax Reform Law 27430/2017, which among many changes, modified the tax structure of fuels and, for the first time, imposed a carbon tax on fossil fuels. Since March 2018, fuels have been subject to two taxes: on liquid fuels and on carbon dioxide (with the objective of discouraging fossil fuel use and encouraging renewable energies). Biofuels, either pure or in fuel mix, were exempted. In July 2021 the previous government suspended the collection of the two taxes in a way to control inflation. In February 2024 the new administration began to update these taxes in tranches. By mid-2025 they were not fully regularized.

Impacting Fuel Pool Size through Other Incentives/Disincentives Targeting Demand

The adoption of hybrid, gasoline/electric and electric cars is expected to speed up following a slow pace as the government in March 2025 decreed that low-priced hybrid and electric cars would benefit from the elimination of the 35 percent import duty. This will apply to an annual quota of 50,000 vehicles and will last 5 years.

The infrastructure to charge electric cars is slowly expanding through oil companies. Initiatives to incorporate energy efficiency standards in new vehicles and machinery (which in themselves lower demand for biofuels) are moving slowly, which means the engine efficiency of light and heavy-duty vehicles will remain low in comparison with many other countries with initiatives. Lack of progress to transition the vehicle fleet to electric or partial-electric or increase the fuel efficiency of road vehicles are two important factors preserving demand for biofuels. Lack of movement transitioning the fleet to flex fuel vehicles has severely limited uptake opportunity for ethanol.

Diesel (and biodiesel) demand will likely grow faster when Argentina's economy stabilizes, with limited alternative modes of transport to trucking in the commercial sector and little to no improvement in engine efficiency. Freight railroad capacity is slowly expanding, primarily in tracks going north and west from Buenos Aires and the ports near Rosario, where more than 80 percent of agricultural exports are shipped.

Environmental Sustainability and Certification

Argentina does not have specific environmental or social/economic sustainability criteria for biofuels used in the domestic market; nonspecific to the cultivation of feedstock, nor minimum Lifecycle Analysis (LCA) derived CI values for biofuels. However, as the country is a major exporter of biodiesel, the criteria and regulations of other markets are closely monitored and applied when biofuels are

exported. This is the case for the EU's second Renewable Energy Directive (REDII) and US Environmental Protection Agency (EPA) rulemaking. CARBIO, the Argentine Chamber of Biodiesel, together with INTA, the National Institute of Agricultural Technology, produced a voluntary certification scheme which was approved by the EU which also accepts the value of emissions of Argentine soybean-based biodiesel certification by province. To achieve tax cuts, biodiesel needs to show a reduction of GHG emissions of at least 60 percent as from 2018. Argentine plants on average show 70 percent of reduction. In the case of Argentine bioethanol from corn, the average reduction of GHG emissions of those plants analyzed is between 70-75 percent. Biofuel exports to the EU are accompanied by certificates granted by the International Sustainability and Carbon Certification system (ISCC) and/or the French 2BSvs biomass biofuel voluntary sustainability scheme.

Import Policy Including Duties/Export Taxes and Levies

Pursuant to the current Biofuels Law 27640 (July 2021), only biofuels manufactured by Argentine producers using domestically-produced feedstock may be used to fill the official mandate – which effectively prohibits use of biofuel imports for fuel.

Since the passage of the original biofuels law, the export tax differential between biodiesel and soybean oil has fluctuated widely. Currently there is a nominal 2 percent differential export tax on biodiesel relative to soybean oil and the effective differential is now 8.52 percent. The effective rate for biodiesel is lower because it enjoys an export tax reduction granted to most manufactured products, but it is not provided to soybean oil and raw agricultural commodities.

Table 2: Recent Export Tax Changes on Biodiesel, Soybean Oil, and Soybean

MONTH	BIODIESEL % Export Tax*	SOY OIL % Export Tax	SOYBEANS % Export Tax
Up to 01/26/2025	29.0 (22.5)*	31.0	33.0
Through 06/30/2025	23.0 (18.7)*	24.5	26.0
As of July 1, 2025	29.0 (22.5)*	31.0	33.0
July 30, 2025 Onward	23.0	24.5	26.0

**Biodiesel export tax nominal terms, effective rate in parenthesis*
Source: Government of Argentina

Table 3: Import/Export Taxes and Rebate Rates for Ethanol and Biodiesel (July 2025)

Product	Import Duty Extra Mercosur %	Import Duty Intra Mercosur %	Export Tax %	Export Rebate %
Ethanol (2207.10 & 2207.20)	20.0	0.0	0.0	1.25
Biodiesel, <B30-100 (3826.00)	12.6	0.0	23	0.0
Petroleum Oil containing 1-30% biodiesel, B1-B30 (2710.20)	0.0	0.0	12	0.0

Note: Applicable HTS codes in parenthesis
Source: Government of Argentina

See previous Biofuel Annual Reports for earlier export tax rates.

III. Fuel Ethanol

Table 4: Ethanol Used as Fuel

Ethanol Used as Fuel (Million Liters)										
Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025f
Beginning Stocks										
Fuel Begin Stocks	64	44	72	126	128	151	144	144	137	137
Production										
Fuel Production	890	1,105	1,113	1,073	809	1,008	1,159	1,157	1,208	1,280
Imports										
Fuel Imports	0	0	5	0	0	0	0	0	0	0
Exports										
Fuel Exports	0	0	0	8	22	16	33	24	84	130
Consumption										
Fuel Consumption	910	1,077	1,064	1,063	764	999	1,126	1,140	1,124	1,170
Ending Stocks										
Fuel Ending Stocks	44	72	126	128	151	144	144	137	137	117
Refineries Producing Fuel Ethanol (Million Liters)										
Number of Refineries	14	14	17	22	22	22	22	22	22	22
Nameplate Capacity	850	1,200	1,300	1,440	1,555	1,560	1,580	1,580	1,630	1,650
Capacity Use (%)	104.7%	92.1%	85.6%	74.5%	52.0%	64.6%	73.4%	73.2%	74.1%	77.6%
Co-product Production (1,000 MT)										
DDGS*	370	415	440	415	320	400	530	580	550	530
Feedstock Use for Fuel Ethanol (1,000 MT)										
Corn**	1,175	1,325	1,400	1,330	1,020	1,280	1,685	1,860	1,750	1,690
Molasses***	1,708	2,250	2,150	2,110	1,565	1,910	1,855	1,545	1,950	2,340
Market Penetration (Million Liters)										
Fuel Ethanol Use	910	1,077	1,064	1,063	764	999	1,126	1,140	1,124	1,170
Gasoline Pool 1/	8,629	9,137	9,453	9,176	6,698	8,733	9,643	10,200	9,570	9,900
Blend Rate (%)	10.5%	11.8%	11.3%	11.6%	11.4%	11.4%	11.7%	11.2%	11.7%	11.8%

Note: 1/ Covers gasoline and all additives including any bio components (biofuels) when used like ethanol.
f = forecast

Source: Private and Secretariat of Energy data, Gasoline Pool: International Energy Agency, local private sources
There are no dedicated HS codes for fuel ethanol, Post estimates trade numbers analyzing official trade data in discussions with private industry sources

** Calculated on a dry basis (1 mt of corn = 0.313 mt of DDGs (assume no oil extraction). Some plants sell in different proportions wet distiller's grains.*

*** 1 MT of corn yields 417 liters of ethanol*

**** Sugar mills use molasses but several also use sugarcane or convert sugar to ethanol. To simplify, we assume only molasses are used with a conversion rate of 1 MT of molasses yields 246 liters.*

Consumption

Bioethanol for fuel use in 2025 is projected at 1.17 billion liters, 4.1 percent higher than in 2024 as gasoline sales are expected to increase as a reflection of a growing domestic economy. Percentage wise, the increase in bioethanol use is higher than the expected increase in gasoline sales as the official blend under the mandate is anticipated to be somewhat higher than last year.

In early 2025 Argentina's economy started to rebound after the major policy changes instituted by the Milei administration following a recession partially brought on by the significant cuts to state expenditures early in his term. Gasoline sales dropped in the first 2 months of 2025, but have been recovering since, showing signs of improved purchasing power and growth in many industry sectors. Although most local economists project a GDP growth of 5 percent in 2025, sales of gasoline are projected to increase only 3.4 percent. Gasoline sales in 2023 were the highest of the past decade as the exchange rate and low fuel prices in Argentina enticed significant sales in most border cities. This is no longer the situation as the current exchange rate paired with higher domestic fuel prices have resulted in Argentine gasoline prices being the highest in the region in dollar terms.

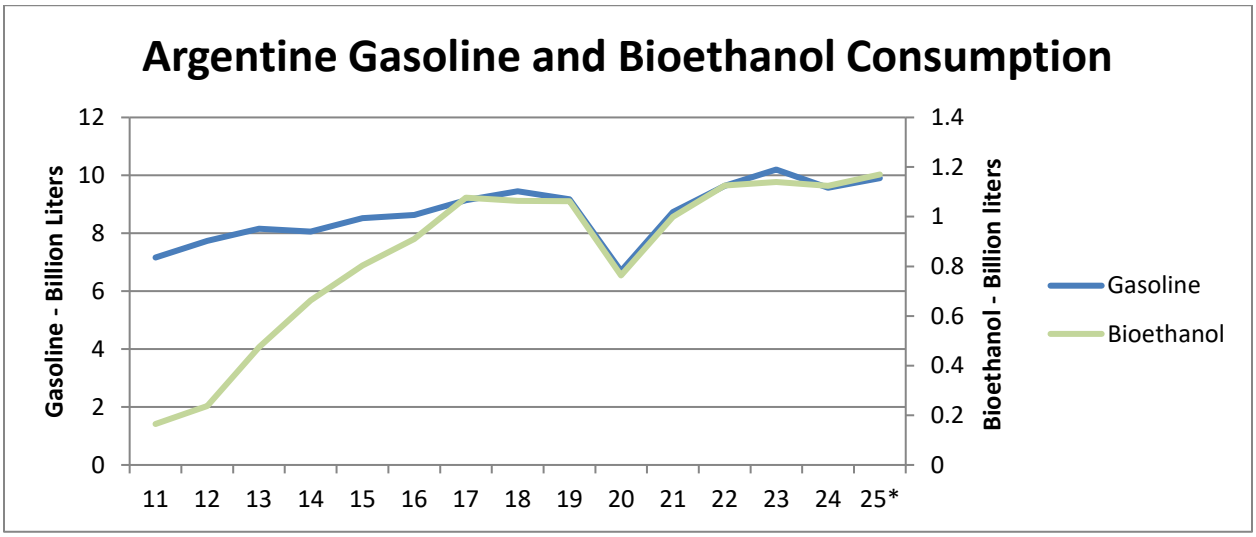
The bioethanol blending rate in 2025 is projected to increase marginally to 11.8 percent. This is slightly lower than the official mandate of 12 percent set in 2016. The 6 percentage points allocated to the sugar industry each year are usually underutilized so bioethanol producers using corn as feedstock normally fill the gap. This situation occurs as the sugar industry is more dependent on weather factors and domestic and international sugar prices, which sugar mills pay to obtain the highest returns possible. Corn bioethanol is a more stable sector which produces ethanol all year, normally enjoying abundant local corn supplies. So far, the current sugarcane crop season is projected to be very large, but winter frosts prior to harvest could still negatively affect production. If bioethanol official prices and domestic and export sugar prices continue at current levels, the sugar industry is expected to fulfill a larger portion of the official blend than in recent years.

Bioethanol producers continue to press the government to increase the official mandate from the current 12 percent to 15 percent and to further raise mandates in years to come, including the possibility of developing a flex fuel market. This would help the country replace gasoline imports that in 2024 accounted for roughly $200 million and attract huge investment in the sector.

In March, Paraguay increased its bioethanol mandate to 30 percent and Brazil will do the same as of August this year. Both neighboring countries also have an E100 market. In Argentina, blends above E15 will most likely face opposition from car manufacturers as they are concerned about engine warranties. Local fuel distributors support the use of bioethanol at limited blending rates as it improves the quality of their fossil gasoline. However, larger mixes would eat into a greater portion of their current business. There is currently no discretionary use of bioethanol for fuel as it is a highly controlled market by official policy.

There are already some gas stations in the Cordoba Province supplying official vehicles with E17 and some tests with E70 have been made under the provincial Biofuel Program. The province already has a few gas stations which supply E17 to the open public as well.

Figure 4: Argentine Gasoline and Bioethanol Consumption



Source: FAS with Secretariat of Energy and International Energy Agency, local sources
** Post forecast*
Bioethanol is all ethanol used as fuel. Gasoline pool includes all blended ethanol.

Production

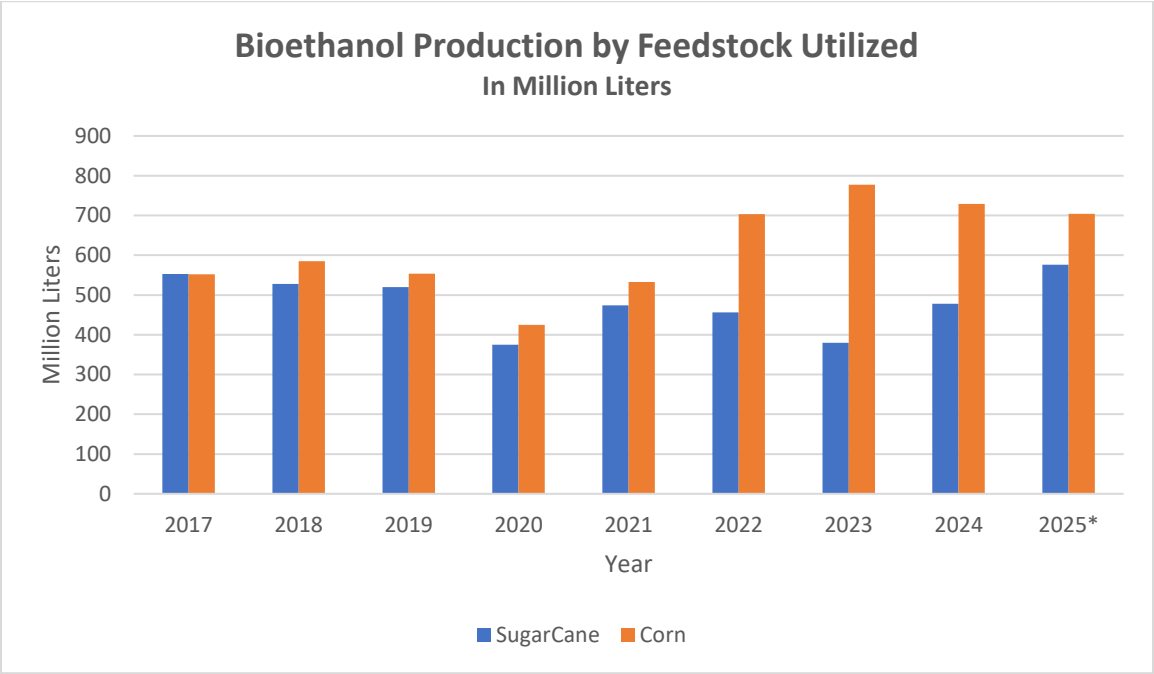
Argentine fuel bioethanol production in 2025 is projected to increase 6 percent to a record 1.28 billion liters. Most growth is expected to come from the sugarcane sector. Production of bioethanol to supply the official mandate is projected to increase by 4 percent. In 2025, the official mandate is expected to account for 91 percent of the total bioethanol production while the excess supply would be exported.

Argentina's biofuels law requires a 12 percent bioethanol blend in gasoline, split evenly between sugarcane and corn. The sugar sector supplied only 33 percent of total Argentine fuel ethanol production in 2023 but recovered to 40 percent in 2024 and is projected to reach 45 percent in 2025 after two strong harvests. The 2025 corn harvest is expected to conclude by early August with normal yields. As one of the world's top four corn exporters, Argentina ships 60–70 percent of its crop, with 2–4 percent used domestically for bioethanol production in recent years.

Ethanol production capacity in 2025 is estimated to be practically unchanged at 1.65 billion liters with 22 distilleries operating. In 2024, the sugar sector had 15 ethanol plants operating, of which only 11 dehydrated and account for roughly 45 percent of the capacity while the corn sector accounts for the balance, having several projects to expand capacity in the next months and years, in preparation for a possible increase in demand of the domestic market.

In addition to supplying bioethanol for the official mandate and small volumes for fuel export, local producers sell about 180–200 million liters of alcohol annually for industrial use. Corn-based production accounts for roughly 55 percent of this market, with the remainder supplied by the sugar/alcohol industry. Key demand comes from the chemical and agro-industrial sectors, alcoholic beverage production, and pharmaceuticals.

Figure 5: Argentine Bioethanol Production by Feedstock Utilized



Source: Secretariat of Agriculture, Livestock, and Fisheries
** Post's projection*

Bioethanol production from sugarcane is forecast to be roughly 570-580 million liters in 2025, up 20 percent from last year. Based on information provided by Tucuman's Promotion Institute of Sugar and Alcohol, through mid-July the MY 2025/2026 sugarcane harvest in the country was running at 30-35 percent, and 14 sugar mills had produced almost 160 million liters of alcohol. The cane harvest is expected to end in November, while ethanol production will continue until the first month of 2026.

Argentina's sugarcane production in marketing year (MY) 2025/26 is expected to rise, supported by good crop conditions and an expanded planted area. Several thousand hectares in Tucumán left unharvested last year due to excessive rain are now contributing to higher yields. Strong profitability in 2023 spurred reinvestment in fields, including adoption of higher-yielding varieties. Post projects about 25 percent of total cane will be directed to ethanol production in MY 2025/26.

Nearly all sugar mills produce some ethanol from molasses as a byproduct of sugar production, but four major groups also dedicate part of their cane harvest to bioethanol and renewable energy. In 2024, 19 sugar mills operated in Tucumán, Salta, and Jujuy, with 15 producing ethanol and 11 dehydrating it for the official mandate. The sector's bioethanol production capacity remains steady at 650–750 million liters annually but shifts between ethanol and sugar production depending on relative profitability.
The production of bioethanol from corn for the official mandate is estimated to be around 700 million liters in 2025. The expected growth in bioethanol production this year should mostly come from the sugarcane sector. Still, the forecast mandated volume for 2025 was halved between corn and sugarcane, the corn sector would only supply 585 million liters. Adding sales of industrial alcohol, plus bioethanol

exports, the corn sector is expected to run at practically full capacity this year. The corn ethanol industry has a capacity to stock products for about 15 to 30 days of production.

Argentina has 11 corn-ethanol plants. Five large plants have a production capacity that ranges between 90-290 million liters a year. The largest plant is owned by a large local cooperative. One of the plants is operating at a low capacity as it is going through a process of cram down and the plant is being partially operated by a third party. There are five very small bioethanol plants with a production capacity of 5 million liters per year each and jointly participate in fulfilling the mandate, counting as only one plant.

Several corn ethanol plants have expansion plans underway. Three of them are in the province of Cordoba, Argentina's main corn producing province. One is a new plant of 110 million liters/year being built next to the second largest ethanol plant and is expected to come online in late 2025 or early 2026. Also, the first corn ethanol plant in Argentina, built in 2012, is expected to expand capacity 20 percent by 2026-27. And lastly, the largest processor has also planned to expand further its capacity by 50 million liters in 2027-28. Also, a couple of new players announced investments in plants, but subject to the increase of the mandate or if quotas are freed. If realized, these two would be built in Buenos Aires and Santa Fe provinces.

As of early August 2025, Argentina's corn harvest was 89 percent complete, with production estimated at 50 million tons, well above the 15.2 million tons needed for domestic use. Bioethanol production is expected to consume about 1.7 million tons, or 3.4 percent of total output. While domestic corn use has been steadily increasing, large export volumes suggest considerable potential to expand internal demand, particularly in the bioethanol sector.

Corn ethanol plants primarily produce wet distillers' grains, with limited drying depending on market conditions. Most are sold wet to feedlots, dairies, and poultry producers, while dry products are marketed more widely, particularly to feed manufacturers. Plants also supply CO_2 and corn oil, some of which is exported. Wet distillers' grains are typically distributed within 150–200 km of the plant, with small volumes, both wet and dry, exported to neighboring countries.

Trade

Bioethanol fuel exports in 2025 are projected at 130 million liters, the highest on record. Despite being difficult to confirm through trade data, local industry contacts indicate these exports are for fuel use at their destination, with more than 99 percent purity.

With domestic consumption of ethanol tied to a fixed 12 percent mandate and an erratic gasoline market which has gone up and down in the past decade, excess ethanol supplies are exported, if market conditions are favorable. Currently, the largest corn ethanol plant exports as much as it can with very slim profitability to keep the plants operating at high capacity.
Brazil is expected to take 75 percent of all exports in 2025. These cargoes arrive in the northeast of the country, and are based on Trade Data Monitor, at an average price of $0.49 per liter (first half of 2025). Chile and the European Union are also destinations which normally take small volumes.

IV. Biodiesel

Table 5: Biodiesel

Biodiesel (Million Liters)										
Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025f
Beginning Stocks	59	52	102	27	28	98	120	90	18	20
Production	3,020	3,260	2,760	2,440	1,315	1,962	2,170	944	1,320	1,225
Imports	0	0	0	0	0	0	0	0	0	0
Exports**	1,847	1,875	1,585	1,147	675	1,440	1,388	346	435	340
Consumption	1,180	1,335	1,250	1,292	570	500	812	670	883	880
Ending Stocks	52	102	27	28	98	120	90	18	20	25
Production Capacity (Million Liters)										
Number of Biorefineries	38	37	36	36	33	33	33	32	32	32
Nameplate Capacity	5,400	5,000	5,000	5,000	4,430	4,430	4,430	4,400	4,400	4,400
Capacity Use (%)	55.9%	65.2%	55.2%	48.8%	29.7%	44.3%	49.0%	21.5%	30.0%	27.8%
Feedstock Use (1,000 MT)										
Soybean oil*	2,670	2,870	2,430	2,200	1,180	1,750	1,930	840	1,175	1,085
Market Penetration (Million Liters)										
Biodiesel, On-road use	1,180	1,335	1,250	1,292	570	500	812	670	883	880
Diesel Pool, On & Off road use 1	12,623	13,147	12,952	12,845	10,794	12,685	14,058	13,767	12,991	13,370
Blend Rate (%)	9.3%	10.2%	9.7%	10.1%	5.3%	3.9%	5.8%	4.9%	6.8%	6.6%
Diesel Pool 2/	15,023	14,547	13,826	13,248	11,646	14,710	16,494	16,350	15,682	15,543

f: forecast

Note: 1/ Covers diesel and all biocomponents (biodiesel). Diesel Pool 2 minus stationary power (source Cammesa). It also does not include bunkers, mining and others which are not subject to the official mandate mix and total 900 million to 1.2 billion liters/year.

Note: 2/ Source International Energy Agency (IEA). Covers diesel and any biodiesel used in the diesel pool, all on/off road transport (including agriculture, construction, rail and marine), plus stationary power.

**1 MT of soybean oil (1x refined) yields 1,128 liters of biodiesel*

*** Source: Argentine Secretariat of Energy*

Consumption

Argentine biodiesel consumption in 2025 is projected unchanged at 880 million liters. Sales of diesel fuel are expected to increase marginally, while the final mix under the mandate could be somewhat smaller than last year.

Sales of the on/off road diesel market in the first five months of 2025 were slightly lower than a year ago, primarily due to an economy that is slowly coming out of recession. Recent signals are showing general growth, but quite erratic among sectors. The dynamics of diesel sales are intimately tied to the performance of the country's production and not as gasoline sales which are more tied to the dynamic of consumers' purchasing power which mostly use gasoline light vehicles. Local economists project a 5 percent GDP growth in 2025, while post forecast sales of on/off road diesel to grow only 2.9 percent.

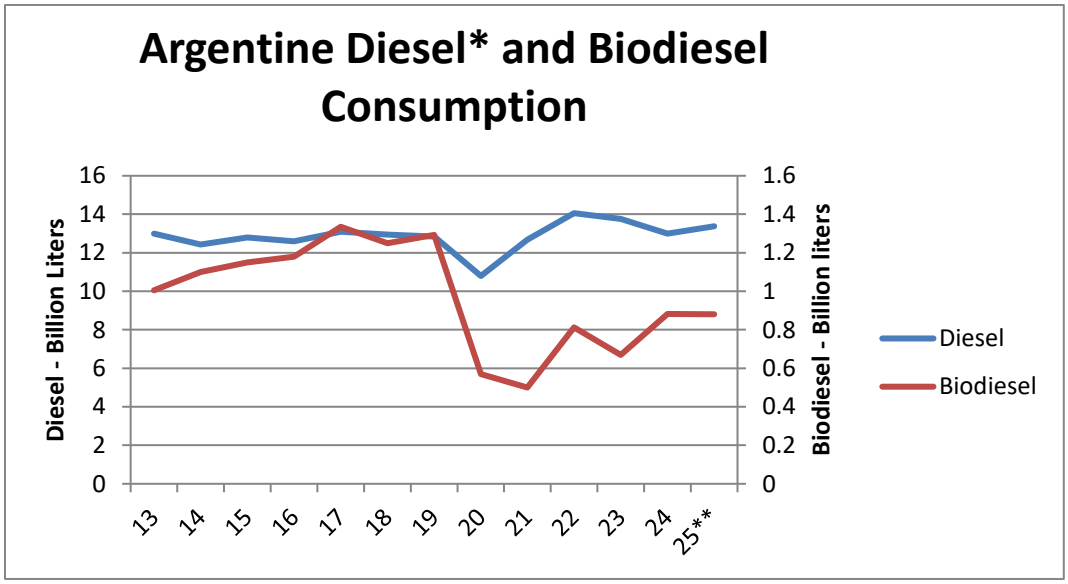
By Argentine biofuels policy, the mandate mix of biodiesel is applied to diesel used by the general public (cars and light trucks), heavy truck cargo, passenger buses and agriculture, totaling roughly 13 billion liters in 2024. The use of diesel for mining, bunker (local and international), and trains was not subject to the official mandate mix. In June 2025, through Resolution 252 the Secretariat of Energy established that maritime (local and international) use of diesel is authorized from now on to utilize diesel with biodiesel mixes.

The average national blend rate of biodiesel in on/off road use diesel in 2025 is forecast at 6.6 percent, down from 6.8 percent in 2024. However, the mix rate of the past two years is significantly higher than that of 2020-2023, in which official controls were very lax. Still, the mix rate expected for the current year would be lower than the 7.5 percent mandate in place for sales of on/off road diesel only.

The official biodiesel mandate faces strong opposition, particularly from local fuel distributors who argue that biodiesel is more expensive than fossil diesel, and from some government officials who contend it reduces tax revenues. The state-owned petroleum company controls over half of the domestic fuel market. The biofuels bill introduced by government legislators in late 2024 proposes a more liberalized market with fewer quotas, no official pricing, and broader participation from industry players.

The discretionary biodiesel market outside the national mandate remains small, though demand is slowly increasing in provinces with their own biofuel laws, such as Córdoba and Santa Fe. Several small companies also produce biodiesel for their own use. Official data show about 2 million liters were sold outside the mandate in 2024, with a similar volume expected in 2025.

Figure 6: Argentine Diesel and Biodiesel Consumption



** All On and Off-Road Surface Transportation, including biodiesel*
*** Post forecast*
Source: FAS with Energy Secretariat, International Energy Agency, and private sources

Domestic diesel and biodiesel are both high quality, with no reported issues even in winter, as biodiesel is produced almost entirely from soybean oil. Some local vehicle manufacturers oppose blends above 10 percent due to concerns over engine damage and warranty claims. However, testing by automakers and institutions in recent years using higher blends than the mandate rate under varied operating conditions has generally shown no adverse effects. Argentina's vehicle industry is closely integrated with Brazil's, where the biodiesel mandate is currently 14 percent and scheduled to rise to 15 percent in August.

Production

Despite projecting flat domestic consumption, biodiesel production in 2025 is forecast at 1.225 billion liters, 7 percent lower than 2024, because of anticipated smaller exports. This would be the second lowest production volume of the past decade with high idle capacity. It is notable that the blend rate dropped from an average 10 percent during 2016-2019 to an average 5.5 percent in 2020-2025 due to domestic policy changes and official government decisions. During 2016-2019 exports averaged 1.6 billion liters per year and dropped drastically to about half the volume during 2020-2025 as result of restrictions in the main markets to which Argentina exports/exported.

Argentina's biodiesel production capacity in 2025 is projected to remain unchanged at 4.4 billion liters a year, with 31-32 plants in operation. Idle capacity is significant in both small-medium plants, which supply the official mandate, and large export plants where there is practically no new investment in augmenting capacity. In 2019 there were 36 plants operating with 5.0 billion liters/year capacity, but since then the industry stabilized to current capacity.

There are currently 32 plants which could operate. The government divides the total biodiesel plants into three different categories based on production capacity to determine if they are eligible to participate in the official mandate:

Table 6: Number of Biodiesel Plants in Argentina by Production Capacity

Size	Capacity	Number of Plants
Small	9-23 million liters	8
Medium	54-110 million liters	15
Large	136-690 million liters	9

Source: Argentine Secretariat of Energy

Argentine biodiesel production in 2024 totaled 1.32 billion liters. Large plants produced 585 million liters, medium plants 665 million liters and small ones 70 million liters.

Soybean oil is the primary feedstock for biodiesel production in Argentina, supplied mainly by large exporters that operate crushing plants to produce meal, oil, and, when market conditions allow, biodiesel. Medium and small producers typically purchase oil from these large crushers. Feedstock supply is abundant, as Argentina is one of the world's leading soybean producers and a major exporter of meal and oil. The 2024/25 soybean harvest recently concluded at 50 million tons, slightly above last year's output. In 2025, the biodiesel industry is expected to consume about 1.1 million tons of soybean oil for both domestic use and exports.

Trade

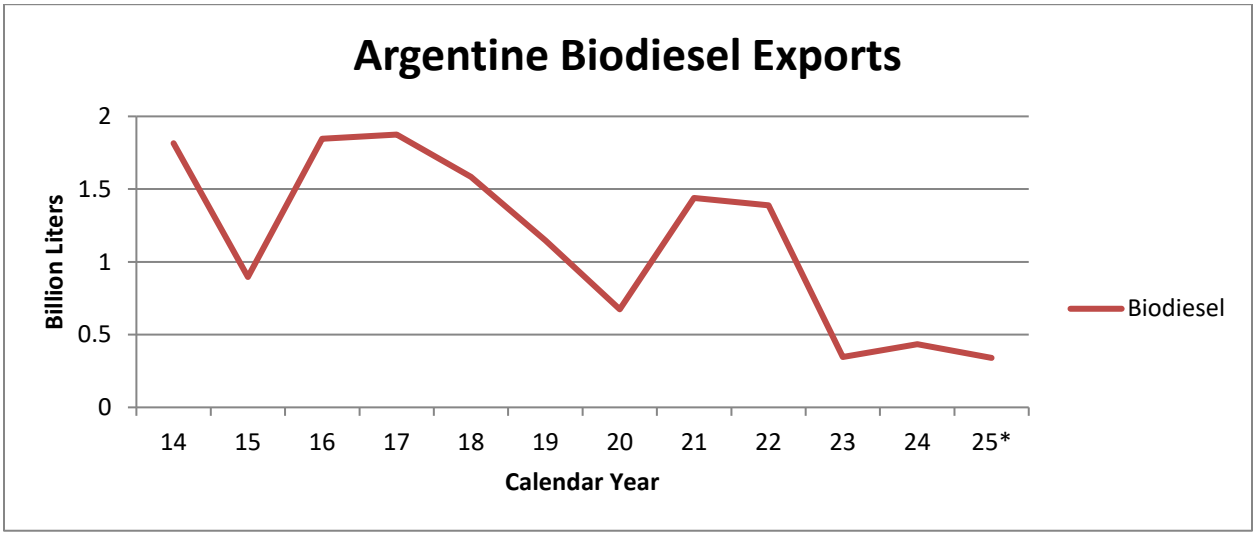
Argentine biodiesel exports in 2025 are forecast at 340 million liters, the lowest volume since 2007, the first year with biodiesel exports. Local traders believe the final volume could be even lower but will depend on market conditions over the next few weeks.

Biodiesel exports in the first half of 2025 were very low, at 35 million liters, shipped to Belgium. July shipments totaled 68 million liters to the Netherlands, and an additional similar volume is expected from

August-September. The rest of the year is still open and will depend on biodiesel and diesel prices in the EU and biodiesel costs in Argentina.

Argentina's export markets continue to be limited to the EU, UK, and Canada. Shipments to discretionary markets, typically in countries in North Africa, seldom take place, only when biodiesel made from soybean oil is cheaper than fossil diesel. The EU remains the major market by far due to its size and the 1.2-million-ton yearly quota in place. The U.S. market, once a large destination, remains in practice blocked by high anti-subsidy and anti-dumping duties in place since 2018. Similarly, duties have effectively eliminated export opportunities to the Peruvian market too.

Figure 7: Argentine Biodiesel Exports



Source: FAS Buenos Aires with Secretariat of Energy database
** Post's forecast*

The European Union continues to be the main and practically exclusive market for Argentine biodiesel. In February 2019, the European Commission and Argentina agreed to an annual duty-free quota for biodiesel of 1.36 billion liters subject to a minimum import price based on Argentina's official FOB soybean oil price plus production costs and freight. Eight local biodiesel producers are authorized for export. There are some concerns in the local biodiesel sector as the EU imposes restrictions on soybean oil as a feedstock for biodiesel production due to environmental concerns related to deforestation. Local biodiesel exporters indicate that to date they have shown and certified that their shipments are environmentally eligible. Local biodiesel exports typically enter the EU under 2BS or ISCC certification schemes, which Argentine contacts indicate cover EU's certification requirements.

Since early 2018, the United States (Argentina's main biodiesel export market in 2016 to 2017 following retaliatory import tariffs placed by the European Union to protect its market) continues to apply high anti-dumping and countervailing duties (AD/CVD) which, when combined, average over 140 percent. This makes it impossible for Argentine product to reach the U.S. market. In May 2023 the U.S. International Trade Commission announced the extension of the AD/CVD measures.

Peru began importing Argentine biodiesel in 2012 to help meet its blend mandate by backfilling its exports to Europe. However, in 2016 and after Argentina product had directly undermined Peruvian production, Peru set anti-dumping and anti-subsidy duties on Argentine biodiesel imports that effectively curtailed trade. These expired in early 2021 and were renewed for five more years until 2026.

No biodiesel imports are forecast, as current regulations stipulate that all biodiesel supplied to the domestic market must be produced locally from Argentine feedstock.

V. Advanced Biofuels

Argentina does not yet produce renewable diesel (RD) or sustainable aviation fuel (SAF) on a commercial scale. Recent press reports indicate that the national oil company, in partnership with a private firm, plans to restart operations at a decommissioned refinery near Rosario to produce SAF to export markets. The Rosario port area is already a hub for large vegetable oil crushing and biodiesel production, making it a strategic location for advanced biofuel development. Other crushers and local oil companies are monitoring the sector closely for market opportunities, with soybean oil expected to be the primary feedstock. Proposed changes to the Biofuels Law or the passage of a new law are anticipated to enable commercial production of RD and SAF

There is growing interest in the production of crops to produce more sustainable biofuels, with lower GHG emissions. A few multinational grain exporters, petroleum, and seed companies are investing in the expansion of production, processing, and exports of Carinata and Camelina. Most of these new crops are intended for export to the EU market.

There is no commercial production or use of cellulosic biofuels in Argentina, as program development has stalled amid the absence of targeted policy support or investment incentives. Research and pilot-scale activity remain minimal, and the sector shows little near-term prospect for advancement.

Attachments:

No Attachments