



PUBLIC HEARING ON THE PROPOSED ACTION PURSUANT TO THE SECTION 301 INVESTIGATION: BRAZIL’S ACTS, POLICIES, AND PRACTICES RELATED TO DIGITAL TRADE AND ELECTRONIC PAYMENT SERVICES; UNFAIR, PREFERENTIAL TARIFFS; ANTI-CORRUPTION ENFORCEMENT; INTELLECTUAL PROPERTY PROTECTION; ETHANOL MARKET ACCESS; AND ILLEGAL DEFORESTATION

TESTIMONY OF MATTHEW FROSTIC

FIRST VICE PRESIDENT

NATIONAL CORN GROWERS ASSOCIATION

JULY 6, 2026

Good afternoon. Thank you for the opportunity to appear before you today. My name is Matt Frostic and I am the First Vice President of the National Corn Growers Association, or “NCGA”. I will become President of NCGA on October 1st. NCGA has over 36,000 dues paying members representing half of a million corn growers across the United States. NCGA’s mission is to protect and advance the interests of corn growers.

Personally, I am a farmer from Applegate, Michigan and grow corn, soybeans, edible beans, and sugarbeets, in addition to beef cattle.

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U.S. corn growers plant and harvest the most high-quality and efficient corn crop in the world. We depend on export markets for both corn and ethanol so farmers can make a living and feed their families. And, we play by the rules, support competition, and oppose trade barriers.

Unfortunately, Brazil does not value a level playing field and unfairly penalizes U.S. corn growers. Over the past decade, Brazil has taken targeted trade actions aimed at evaporating current and future demand for U.S. farmers.

In our view, this Section 301 investigation into Brazil’s trade actions is deserved and long overdue. We were pleased to see that the Office of the U.S. Trade Representative found that Brazil’s policies harmed corn growers. We support the proposed 25% tariff, that would include Brazilian ethanol imports. We urge this investigation to consider the full scope of Brazil’s actions that penalize U.S. corn growers.

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The bilateral ethanol trade between the United States and Brazil is well documented and captured in USTR's findings and proposed action.

Brazil abandoned a cooperative trading environment when they suddenly imposed a 20 percent tariff and a tariff rate quota in 2017. After some fluctuation, the tariff was reinstated and as of January 1, 2024, it remains at 18%.

U.S. corn growers felt the effects of the tariff as market access sharply declined. In 2018, Brazil was the top market for U.S. ethanol exports by far. Once the tariff was reimposed, the market nearly evaporated, showing that Brazil's tariff was indeed responsible for the sudden decline of U.S. ethanol exports to Brazil.

While Brazil was imposing tariffs that resulted in a decline of American exports, Brazilian sugarcane ethanol was being imported into the United States at an increasing rate. These exports largely went to California, peaking in 2019 at 195 million gallons.

For these reasons, we support USTR's proposed 25% tariff on Brazilian ethanol.

As USTR considers additional proposed action to impose import restrictions, we would call attention to Brazil's refusal to allow U.S. ethanol producers to obtain approval for their domestic biofuels program, called RenovaBio. This is clear discrimination against U.S. ethanol producers.

While U.S. companies have been allowed to submit applications, only one has been approved. Even if U.S. ethanol producers were granted approval, RenovaBio includes stronger incentives for Brazilian ethanol over U.S. ethanol.

The United States does not impose such restrictions on participation in our Renewable Fuel Standard, and Brazilian companies are allowed to participate. This should be given strong consideration as USTR continues this investigation.

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Further, Brazil's international advocacy touting a low environmental footprint is nothing short of a guise to artificially boost their carbon intensity score over American farmers.

Brazil claims that its corn is a secondary crop, such that inputs and land used is more minor compared to the United States. But this could not be more incorrect, as land conversion from grassland or rainforest in Brazil is not properly documented.

Brazil's efforts paid off as the International Civil Aviation Organization (ICAO) agreed on a recommendation that would further cement incentives for the use of Brazilian ethanol over U.S.

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ethanol in aviation fuels. While the United States opposed this development, more needs to be done to re-gain market access to Brazil and ensure an international level playing field for U.S. corn growers.

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We appreciate the initiation of this investigation, and were pleased with the findings and proposed action. We urge USTR to consider a wide range of options to encompass the full scope of Brazil's harmful actions. This includes not only reciprocal tariffs, but parity with program participation, removing Brazil's eligibility for trade preference programs, and payment for losses.

We stand ready to work with the Trump Administration to fix years of economic harm and fight for what we deserve.

Thank you for your time and I look forward to answering any questions.

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