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Brazil Increases Biodiesel Use Mandate

Report Categories:

Agricultural Situation

Agriculture in the News

Agriculture in the Economy

Biofuels

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Report Highlights:

On March 23, 2016, legislation was signed into law to increase Brazil's biodiesel-use mandate from the current 7 percent, to 10 percent by 2019. The legislation also determines requires testing over the next 36 months to check the feasibility of an increase to 15 percent.

General Information:

Brazil's National Biodiesel Production Program (PNPB) was created in 2004 to promote domestic biodiesel production, to reduce petroleum import dependency, and to lower pollutant emissions and health related costs. In addition, PNPB was established to generate jobs and income and alleviate regional economic disparities by passing on benefits to family farmers, especially those in North and Northeast Brazil.

Federal Law #11.097/2005 (http://www.planalto.gov.br/ccivil_03/_ato2004-2006/2005/Lei/L11097.htm) defined and established a legal mandate for use of biodiesel as a fuel. The biodiesel-use mandate was initially set at two percent in 2008 and later raised to higher percentages to accommodate the growing biodiesel production.

On March 23, 2016, President Dilma Rouseff sanctioned Law #13.263/2016 (http://www.planalto.gov.br/ccivil_03/_Ato2015-2018/2016/Lei/L13263.htm) previously approved by both houses of Congress. The bill increases the biodiesel-use mandate gradually from seven percent (B7) to ten percent (B10) by 2019, as follows:

- Eight percent (B8) in March 2017;
- Nine percent (B9) in March 2018;
- Ten percent (B10) in March 2019.

Bill # 3.834/2015 also instructs the National Council for Energy Policy to conduct tests over the next 36 months in diesel engines to check the feasibility for a fifteen percent blend (B15). If results are positive, the fifteen percent (B15) biodiesel-use mandate could be an option in the near future.

Please refer to [BR15006](#) (Brazilian Biofuels Annual Report) for additional information on biodiesel.

For questions or comments regarding this report please contact:

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