

PRESS RELEASE

European renewable ethanol producers oppose provisional application of the EU-Mercosur agreement

The European Commission is ignoring the wishes of the European Parliament and endangering EU production of food, feed, fuel and more

BRUSSELS, 27 February 2026 – The European Commission’s decision to circumvent the democratic process by provisionally applying the EU-Mercosur trade agreement is yet another sign that the deal is a bad one for Europe – especially for the strategically important EU renewable ethanol industry and the European agricultural sector.

In addition to ignoring the vote by the European Parliament to ask EU Court of Justice to review the legality of the deal, the Commission is also ignoring repeated warnings from sensitive agricultural sectors like European bioethanol producers and have now offered Mercosur countries, in reality to Brazil, a huge share of the EU’s ethanol market. In doing so, the EU is putting at risk European biorefineries producing food, feed, fuel, fertilizers and much more.

The last-minute EU-Mercosur ‘safeguards’ aimed at placating farmers are cosmetic at best and when it comes to ethanol imports will be ineffective. The procedures are complex, thresholds high, and reaction times slow.

The mere possibility that Mercosur could double its annual ethanol exports highlights a serious flaw in the agreement. Ethanol should have been designated a sensitive product from the start. The volumes of duty-free ethanol granted to Mercosur countries are grounded in outdated models that fail to align with today’s market conditions or pricing realities. No economic impact assessment has been conducted on renewable ethanol by the European Commission.

Lastly, the risk of circumvention of fuel and beverage ethanol via so called chemical use route remains high with uncertain “end-use procedure” customs compliance in the future.

The EU now needs to find ways to make its ethanol market bigger to accommodate a flood of imports and create new markets for domestic producers. This means including crop-based biofuels in the CO₂ for cars and vans regulation and allowing crop-based biofuels in aviation and maritime.

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