USDA United States Department of Agriculture
Foreign Agricultural Service

GAIN Global Agricultural Information Network

Voluntary Report – Voluntary - Public Distribution

Date: January 09, 2026

Report Number: BR2026-0002

Report Name: Brazilian Production of Distillers Dried Grains and Distillers Dried Grains with Solubles

Country: Brazil

Post: Brasilia

Report Category: Biofuels, Grain and Feed

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Report Highlights:

Brazil is the world's third-largest corn producer, surpassed only by the United States and China. Its growing corn output has led to an increase of corn as a feedstock for ethanol production, which is more cost-effective than sugarcane ethanol. Corn ethanol production also generates valuable co-products—dried distillers grains (DDG) and dried distillers grains with solubles (DDGS)—which are high-protein feed for livestock. Brazil's DDG/DDGS production rose from 1.2 million tons in 2019/20 to 4.2 million tons in 2024/25, a 256% percent increase, with about 79 percent consumed domestically. The government and industry are working to expand export markets. In 2024, Brazil exported 791,000 tons of DDGS to 21 countries, worth $118 million.

Brazil's increasing corn output has driven greater use of corn as a feedstock for ethanol production, due to its availability and lower costs compared to sugarcane ethanol. Corn ethanol production also yields valuable co-products, such as dried distillers grains (DDG) and dried distillers grains with solubles (DDGS)—high-fat, protein-rich concentrates widely used in feed for confined livestock. DDG/DDGs production in Brazil has expanded rapidly, rising from 1.2 million tons in the 2019/20 marketing year (April–March) to 4.2 million tons in 2024/25—a 256 percent increase. Approximately 79 percent of total DDG/DDGS production is consumed domestically. To further develop the sector, the Brazilian government and the corn industry are actively working to expand market access for DDGs. In 2024, Brazil exported 791,000 tons of DDGs to 21 countries, valued at USD 118 million.

Production and Consumption

Brazil is the world's third-largest producer of corn, surpassed only by the United States and China. According to USDA, between the 2013/14 and 2024/25 harvests (March–February), Brazil's corn production rose from 80 million tons to 136 million tons.

The main corn-producing states—Mato Grosso, Paraná, Goiás, and Mato Grosso do Sul —together account for approximately 73 percent of Brazil's total corn output in the 2024/25 marketing year.

Figure 1
Main Corn Producing States in MY 2024/25, in Percentage

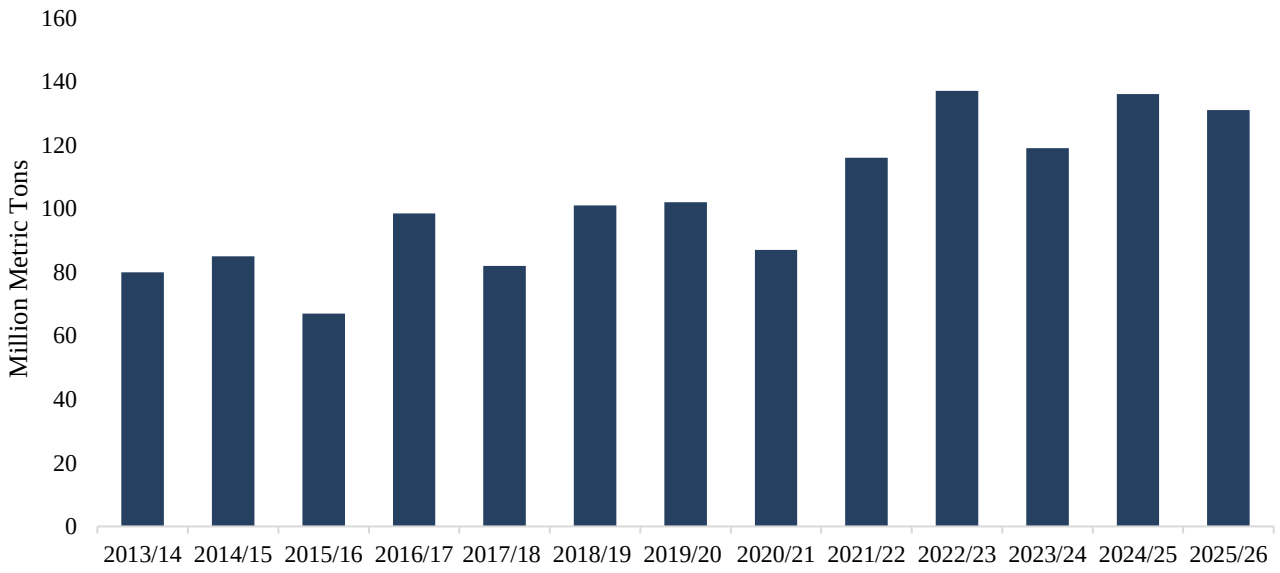
Source: USDA, Chart Post Brasilia

The increase in corn production has encouraged the use of corn as a feedstock for ethanol production, due to its availability and lower costs compared to sugarcane ethanol. Corn planting is divided into three seasons (see USDA Grain and Feed Update December 2025). The first crop is sown between August and December, with harvesting from January to June.

The second crop is planted between January and April, typically following soybean cultivation, and harvested between July and August; this crop is the one that is typically used for ethanol production. The third-season corn crop, grown exclusively in the northern and northeastern states, follows a crop cycle similar to the United States. Planting takes place in May, with harvesting occurring in October.

Corn ethanol is produced year-round, without an off-season, unlike sugarcane ethanol, which has an off-season in the Center-South region from November to March.

Figure 2
Brazilian Total Corn Production, in Million Tons

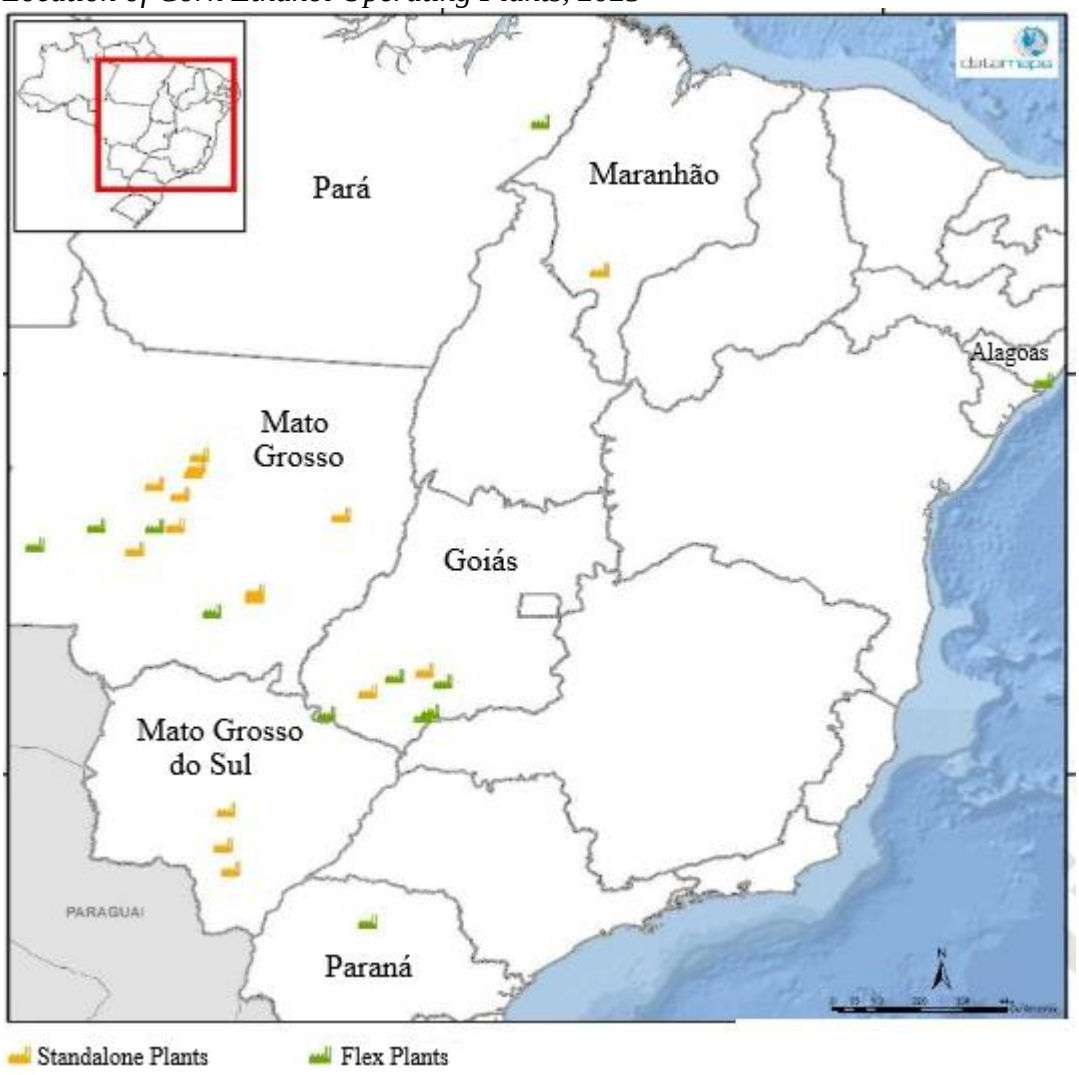


Source: USDA, Chart FAS Brasilia

Starting in 2017, the American company FS (Future Fuel Solutions) inaugurated Brazil's first dedicated corn ethanol plant, utilizing American ICM technology. Between 2017 and 2024, corn ethanol production grew from 400 million liters to 7.5 billion liters. The volume of corn processed increased from 950,000 tons in 2017 to 17 million tons in 2024.

Mato Grosso is the leading producer of corn ethanol, with 12 corn ethanol plants operating in 2025. Goiás is the second-largest producer, with six operational plants, followed by Mato Grosso do Sul with three plants, and Paraná with one plant.

Figure 3
Location of Corn Ethanol Operating Plants, 2025



Source: Datagro; Chart FAS Brasilia

Corn ethanol production generates co-products such as dried distillers grains (DDG) and dried distillers grains with solubles (DDGS), which are high-fat, protein-rich concentrates used in feed for confined livestock. Corn oil is also produced, which is used for human consumption, as well as in pharmaceuticals and biodiesel manufacturing. On average, each ton of processed corn yields 420 liters of ethanol, 225 kilograms of DDG, and 15 liters of corn oil.

DDG and DDGS concentrate the protein, fiber, and lipids from corn. DDG consists of dried grains formed after fermentation and ethanol removal, before the addition of solubles. DDGS is a more complete co-product, where the dried grains are combined with the concentrated solids (solubles) from fermentation, increasing protein and energy content.

Experts note that DDGS are preferred for use away from the production site because they have a longer shelf life and can be transported over long distances, making them suitable for distant markets and export.

The production of distillers dried grains (DDG) in Brazil has grown significantly, rising from 1.2 million tons in the 2019/20 marketing year (MY, April–March) to 4.2 million tons in MY 2024/25—an increase of 256 percent. It is estimated that domestic consumption accounts for approximately 79 percent of total DDG/DDGS production. For MY 2025/26, DDG production is estimated at 5 million tons.

Brazilian producers of DDG and DDGS are expected to prioritize domestic demand, supplying feed for the cattle, swine, and poultry industries. Experts argue that the increased supply of DDG and DDGS should not compete with soybean meal, as these products are considered complementary feeds. Soybean meal contains higher protein content, while DDG and DDGS are richer in fat and provide more energy.

For both beef and dairy cattle, soybean meal remains an important protein source and serve as a benchmark for the pricing of other feeds, such as corn ethanol co-products and cottonseed meal.

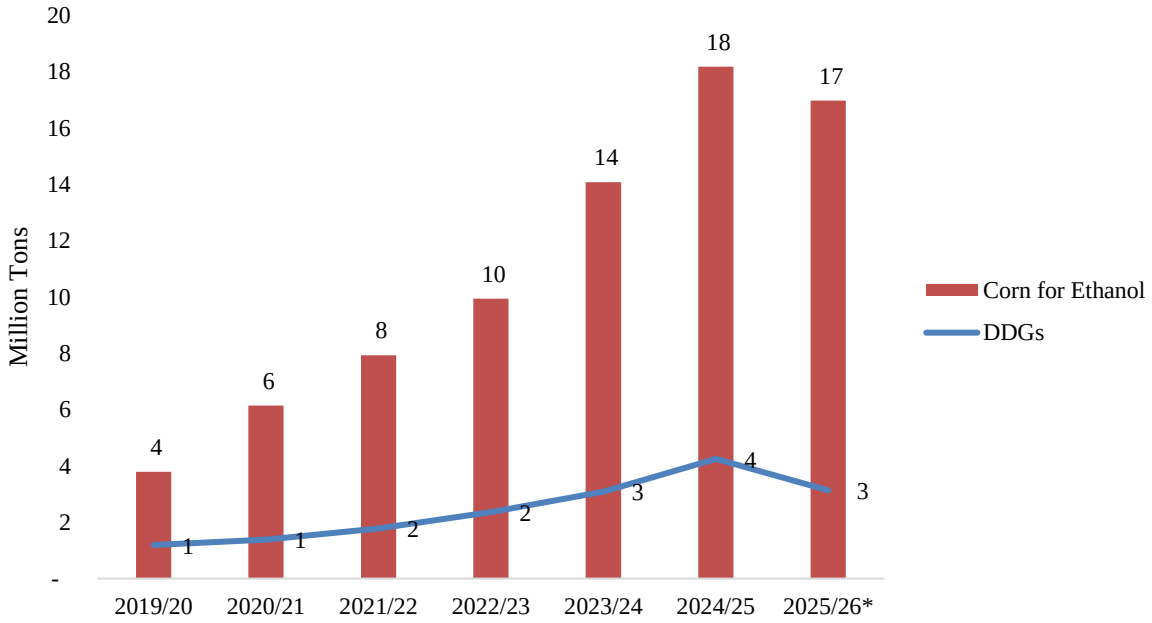
The expansion of corn ethanol production and the projected growth in DDG and DDGS exports are likely to reshape the relationship between agriculture and livestock sectors, potentially increasing the energy costs of animal diets. At the same time, the possible adoption of B16 biodiesel could boost the supply of soybean meal, helping to offset some of these protein costs.

To increase demand for DDG and DDGS, experts emphasize the need not only to promote their nutritional benefits and advantages but also to expand industrial capacity, improve logistics for distribution to other Brazilian states, obtain certifications, and access strategic markets.

Given the positive outlook for corn production and consumption in the coming years, the prospects for growth in DDG and DDGS production are strong. As of December 12, 2025, there were 31 corn ethanol plants in operation, including 10 flex-fuel plants, with a total installed production capacity of 11 billion liters per year. An additional 18 plants are under construction, with a combined capacity of 6 billion liters per year. Furthermore, there are plans for 19 more plants, which would add a combined installed capacity of 7 billion liters per year.

According to the Mato Grosso Institute of Agricultural Economics (IMEA), total Brazilian production is estimated at 6 million tons of DDGS by MY 2030/31.

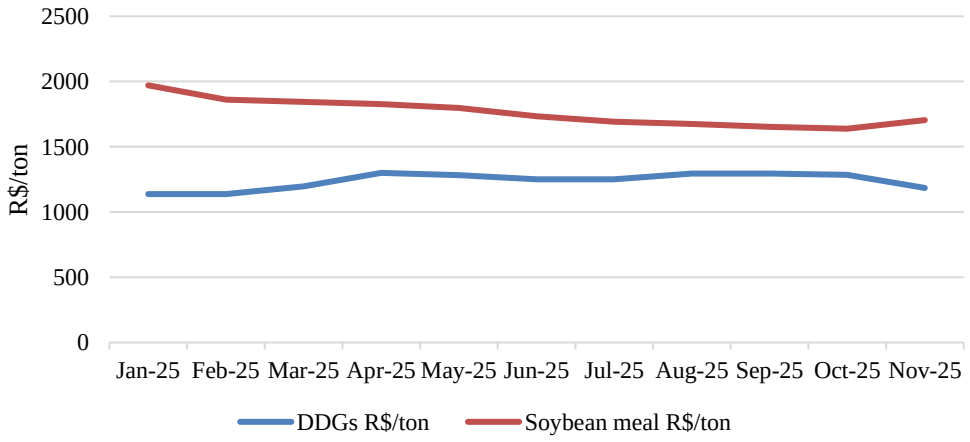
Figure 4
Brazilian Production of DDG/DDGs, in Million Tons



*Source: Datagro. NOTE: DDG production considers April to March, whereas corn production considers February to January. *Refers to April to November 2025.*

DDGS prices remained relatively stable throughout 2025. According to Scot Consultoria, the slight price fluctuations were due to changes in spot market supply. It was reported that producers were fulfilling previously established contracts and signing new delivery agreements starting in January 2026.

Figure 5
Price Comparison Between DDGs and Soybean Meal in the Domestic Market, in Brazilian Reais (R$) per ton



Source: Datagro; Chart FAS Brasilia. NOTE: soybean meal prices are São Paulo-based, and DDGs prices are Mato Grosso-based.

Trade

The Brazilian government and the corn industry are actively working to expand market access for DDGs. In May 2025, Brazil announced a new agreement with Costa Rica to export distillers dried grains (DDGs). Additionally, in September 2024, Colombia agreed to allow imports of DDGs from Brazil, further expanding market access for Brazilian producers.

Brazil and the People's Republic of China (PRC) signed a protocol of intentions in May 2025 to facilitate the sale of DDG and DDGS. Prior to this agreement, the United States was the sole supplier of DDGs to the PRC, accounting for 99.6 percent of imports by volume, valued at $65.7 million.

On November 11, 2025, the first five Brazilian plants were approved to export DDG and DDGS to China, along with ten facilities authorized to export sorghum. The new authorization covers four plants in Mato Grosso and one in Mato Grosso do Sul. According to industry sources, the companies authorized to export to China are FS, Inpasa, and São Martinho.

The authorization follows the signing of the Sorghum Phytosanitary Protocol (November 2024) and the Protocol on Proteins and Grain Derivatives from the Corn Ethanol Industry (May 2025), as well as the conclusion of agreed phytosanitary certificate models between the Brazil and PRC.

According to Post contacts, the first exports are expected to begin in early 2026. As of December 2025, in addition to the five authorized plants, another eleven facilities are awaiting Chinese approval. While there are no official estimates for Brazil's DDG export potential to China, the industry projects volumes exceeding one million tons starting in 2026.

If exports to China expand in 2026 and domestic demand from feedlot operators remains strong, as in recent years, there is potential for more sustained DDG prices and possibly less favorable purchasing conditions for livestock producers compared to 2025.

In 2024, Brazil exported 791,000 tons of DDGs to 21 countries, valued at USD 118 million. DDG exports represented approximately 21 percent of total production. The leading importers were Vietnam, accounting for 27 percent of total exports (212,000 tons, valued at USD 50.7 million), followed by Turkey with 154,000 tons (19 percent or USD 35.5 million), and Spain with 114,000 tons (14 percent or USD 25 million).

From January to December 2025, Brazil exported 825,818 tons of DDG and DDGS to 33 countries, totaling USD 184 million. During this period, Turkey (35 percent), Vietnam (25 percent), New Zealand (17 percent), and Spain (14 percent) were the top buyers.

It is noteworthy that between 2017 and 2021, Brazilian DDG exports were negligible. The growth in exports since 2022 coincides with concerted efforts by the government and industry to open new markets for Brazilian-produced DDG.

Figure 6
Brazilian DDG/DDGS Exports by Country, Harmonized Code 2302.10, in Thousand Tons

Source: Trade Data Monitor; Chart Post Brasilia.

Between 2017 and 2022, Brazil exported small volumes of DDGs to the United States. No exports were recorded in 2023 and 2024, but shipments resumed in 2025. From January to December 2025, Brazil exported 270 tons of DDG to the U.S. Although the United States is the largest producer and exporter of DDG/DDGS, small volumes are imported to supplement domestic supply for specific feed formulations or regional needs.

Chart 1
Brazilian Exports of DDGs to the United States, in Tons

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1	1	235	143	140	228	29	13	0	0	270

Source: Trade Data Monitor; Harmonized Code 2302.10.

According to data from Brazil's National Agency of Petroleum, Natural Gas, and Biofuels (ANP), there are currently 31 corn and other feedstock plants operating in the country. Among these, the largest facilities in terms of installed capacity are the Inpasa plants in Sinop and Nova Mutum (Mato Grosso), Sidrolândia (Mato Grosso do Sul), and the FS plant in Sorriso (Mato Grosso).

According to public information, Inpasa accounts for approximately 95 percent of Brazil´s total DDG/DDGs exports.

Chart 2
List of Operating Corn Ethanol Facilities in 2025

Company	State	Feedstock	Hydrous nameplate capacity m3/day	Anhydrous nameplate capacity M3/day
ALD BIOENERGIA DECIOLÂNDIA S/A	MT	CORN	500	0
CAÇU COMÉRCIO E INDÚSTRIA DE AÇÚCAR E ÁLCOOL LTDA	GO	SUGARCANE, CORN	1200	0
CARGILL BIOENERGIA LTDA.	GO	SUGARCANE, CORN	1505	350
CEREALE BRASIL AGROINDUSTRIAL LTDA.	SP	CORN	60	0
COOPERATIVA AGR PROD CANA DE CAMPO NOVO DO PARECIS LTDA.	MT	SUGARCANE, CORN	1670	600
COOPERATIVA DE COLONIZAÇÃO AGROPECUÁRIA E INDUSTRIAL PINDORAMA LTDA. LTDA	AL	SUGARCANE, CORN	540	300
DESTILARIA DE ÁLCOOL LIBRA LTDA - EM RECUPERAÇÃO JUDICIAL	MT	SUGARCANE, CORN, SORGHUM	600	600
DESTILARIA TJ - INDÚSTRIA E COMÉRCIO DE BIOCOMBUSTÍVEL E DESTILADOS LTDA.	MT	CORN	30	0
DESTILLA BIOENERGIA AGROINDUSTRIAL LTDA	MT	CORN	5	0
FERMAP INDÚSTRIA DE ÁLCOOL LTDA.	MT	CORN	63	0
FS I INDÚSTRIA DE ETANOL S.A.	MT	CORN	2288	2200
FS INDÚSTRIA DE BIOCOMBUSTÍVEIS LTDA	MT	CORN	3409	3186
FS INDÚSTRIA DE BIOCOMBUSTÍVEIS LTDA	MT	CORN	1852	1781
GEM AGROINDUSTRIAL E COMERCIAL LTDA.	GO	CORN	330	0
INDÚSTRIA E COMÉRCIO DESTILARIA MANTO AZUL LTDA	MT	CORN	12	0
INPASA AGROINDUSTRIAL S.A.	MT	CORN	6000	6000
INPASA AGROINDUSTRIAL S.A.	MS	CORN, SORGHUM	3000	3000
INPASA AGROINDUSTRIAL S.A.	MT	CORN	3000	1500
INPASA AGROINDUSTRIAL S.A.	MS	CORN, SORGHUM	2500	2500
INPASA AGROINDUSTRIAL S.A.	MA	CORN, SORGHUM	2500	2500
JATAÍ AGROINDUSTRIA DE BIO-COMBUSTIVEL LTDA. (VMG BIOENERGIA)	GO	CORN	200	0
NEOMILLE S.A.	GO	CORN	1600	800
NEOMILLE S.A.	MS	CORN	893	893
PORTO SEGURO NEGÓCIOS, EMPREENDIMENTOS & PARTICIPAÇÕES	MT	SUGARCANE, CORN	480	240

S.A				
RRP ENERGIA LTDA.	MT	CORN, SORGHUM	425	404
SAFRAS INDÚSTRIA E COMÉRCIO DE BIOCOMBUSTÍVEIS LTDA	MT	CORN	95	0
SÃO MARTINHO S/A	GO	SUGARCANE, CORN	3120	1184
USIMAT DESTILARIA DE ALCOOL LTDA.	MT	SUGARCANE, CORN	1290	1180
USINA AYSÚ LTDA.	MT	SUGARCANE, CORN	315	0
USINA DE ÁLCOOL TRÊS IRMÃOS LTDA.	MT	CORN	60	0
USINA RIO VERDE LTDA EM RECUPERAÇÃO JUDICIAL	GO	SUGARCANE, CORN	330	120
ALD BIOENERGIA DECIOLÂNDIA S/A	MT	CORN	500	0
CAÇU COMÉRCIO E INDÚSTRIA DE AÇÚCAR E ÁLCOOL LTDA	GO	SUGARCANE, CORN	1200	0
CARGILL BIOENERGIA LTDA.	GO	SUGARCANE, CORN	1505	350

Source: Oil and Gas Agency (ANP).

Attachments:

No Attachments.