

A COMPARATIVE ANALYSIS BETWEEN BRAZIL AND THE USA IN ETHANOL LOGISTICS

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By initially recognizing the importance of logistics for the development of a new industry, the authors present a comparative analysis between Brazil and the United States regarding the ethanol logistics. The USA logistics is the most developed and least costly in the world. The use of diversified transportation modes is a main drive to reduce the total logistics costs in the North America. On the opposite side, Brazil's logistics costs are very high primarily due to the country's huge dependence on road transportation. Such logistics environments have major effects upon the fast growing ethanol industry in both countries. The logistics barriers represent major threats for the continuous expansion of ethanol production. The paper depicts the main features in the American and Brazilian ethanol logistics showing that the logistics aiming to serve the domestic markets as well as for both imports and exports are not adequate to sustain the industry growth in the long term. The authors conclude by pointing out the importance of logistics for the expansion of a global ethanol industry as well as for the effort of transforming the ethanol into a true energy commodity.