



August 21, 2019

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President,

While the nation is enjoying unprecedented economic growth, America's farmers are not. Your administration's ongoing actions to undermine the Renewable Fuel Standard (RFS) – including the recent wave of refinery exemptions – are adding to the economic pain Iowa's farmers and biodiesel producers are experiencing.

Farm income has been cut by half in just the last five years, with the greatest slide occurring during the last two. Farmers continue to produce bountiful soybean crops to meet global and domestic demand, only to find markets closed as a result of China's unfair retaliatory tariffs. Uncertainty is weighing down crop prices, farm income and opportunities for farmers to recover. Rural loan deficiency rates are at a six-year high, and for some Iowa farmers, this fall's harvest will be their last.

A U.S. Department of Agriculture report released earlier this month estimates a 14 percent decline in 2019 soybean planted acreage.¹ Market prices for soybeans hover at multi-year lows.

Demand for what farmers grow is critical. The RFS is crucial to America's farmers because it creates a value-added domestic market for our world-leading productivity. The 31 exemptions your administration handed to oil refiners this month will hurt Iowa soybean farmers by closing yet another market we rely on – biodiesel and renewable diesel – and further depress the price of soybeans as more demand disappears.

University of Illinois economist Scott Irwin, a respected expert on biofuels, estimates that U.S. biodiesel and renewable diesel producers will experience the greatest demand destruction from the exemptions – nearly 1 billion gallons alone from the 31 exemptions you recently handed out. According to Irwin, your administration is on a path to destroy 2.45 billion gallons of demand for biodiesel and renewable diesel overall.² The Environmental Protection Agency's own data shows the exemptions are reducing the oil industry's use of biodiesel and renewable diesel.³ The oil

¹ USDA NASS Crop Production Report. August 12, 2019.

² Irwin, S. "[Small Refinery Exemptions and Biomass-Based Diesel Demand Destruction](#)," *farmdoc daily* (9):45, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, March 14, 2019.

³ Environmental Protection Agency, Public Data for the Renewable Fuel Standard, <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rin-use>.

industry is having yet another profitable year.⁴ RFS program compliance costs are nearing an all-time low.

And yet, the RFS exemptions are providing refiners with even more economic windfall at the expense of the biodiesel and renewable diesel industries and U.S. farmers. Plain and simple, the policy challenges are forcing biodiesel producers to shut their doors and lay off workers.⁵ It's becoming more difficult to understand why your administration is choosing to support higher profits for oil companies instead of providing some stability for farmers. Please understand that, while we welcomed your administration's regulatory change to allow year-round use of E15, it does not expand the market for biodiesel.

The economic pain felt by farmers in Iowa is particularly acute, as the Hawkeye State ranks first nationally in biodiesel production. The state's production capacity totals nearly 400 million gallons and provides a critical, local market for soybean oil. Moreover, biodiesel production adds 11 percent to cash soybean prices or nearly 90 cents per bushel. In 2018, this provided \$40 per acre in additional income for Iowa farmers and added \$355 million to the value of all soybeans produced in our state.

Farmers want markets, not handouts, and the RFS provides one of the most vital markets for farmers.

Your EPA recently proposed a rule for the 2020 RFS standards – a rule that sends a chilling signal that the market for biodiesel and renewable diesel will be capped. And then the agency topped that off by further rolling back those volumes through additional small refinery exemptions. More than that, EPA has proposed to ignore a court order to restore gallons to the RFS program that it unlawfully reduced in 2016.

Iowa farmers and all who are directly impacted by the state's agricultural economy urge you to direct your EPA to finalize the 2020 RFS rule this fall to include a volume of growth in the biomass-based diesel volumes equal to the lost volume caused by these small refinery exemptions.

Further, the rule must restore the volumes the courts determined were unlawfully waived in 2016. Anything less will worsen the economic situation facing U.S. farmers right now. Farmers deserve fairness in government policies and an equal chance to enjoy the benefits of economic growth and prosperity.

⁴ Adams-Heard, R. and Carroll, J. "[Exxon, Chevron Beat Expectations Thanks to Permian Oil Surge.](#)" Bloomberg, August 2, 2019. Bousso, R. "[BP profit again outstrips forecasts, lifted by higher oil output.](#)" Reuters, July 30, 2019.

⁵ World Energy, "[RFS Waivers by Trump's EPA push World Energy to close 3 plants.](#)" Biodiesel Magazine, Aug. 16, 2019. Koperski, S. "[Beatrice biodiesel plant to close.](#)" Beatrice Daily Sun, July 1, 2019. "[REG to close Texas biodiesel plant, cites challenging business conditions.](#)" ChemWeek, July 24, 2019.

As you and your administration consider next steps, we would welcome an opportunity to discuss these concerns and the above-mentioned solutions in person. We look forward to your reply and arranging an opportunity to meet.

Sincerely,

A handwritten signature in black ink that reads "Lindsay J. Greiner". The signature is written in a cursive, flowing style.

Lindsay J. Greiner
Farmer, Keota, IA
President, Iowa Soybean Association

CC:

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