

September 3, 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 enjoying the same economic gains. Your administration's actions to undermine the Renewable Fuel Standard (RFS) – including the recent wave of refinery exemptions for 2018 – are adding to farmers' and biodiesel producers' economic pain.

Under your watch, farm income has been cut by half compared to five years ago. Farmers produced record soybean harvests over the past several years, only to find markets closed to our products through trade disputes. Uncertainty is weighing down crop prices, farm income, and opportunities for farmers to recover.

The U.S. Department of Agriculture report released on August 12 projects that soybean planting is already down by 14 percent, and USDA continues to reduce its estimates from earlier in the year.¹ Crop prices for soybeans continue to hover at multiyear lows.

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

University of Illinois economist Scott Irwin estimates that U.S. biodiesel and renewable diesel producers will experience the greatest demand destruction from the exemptions – nearly 1 billion gallons just from the 31 exemptions you recently handed out. According to Professor 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 that the exemptions are reducing the oil industry's use of biodiesel and renewable diesel.³ The oil industry is having a very profitable

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>.

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 industry and U.S. farmers.

Plain and simple, the policy challenges are forcing biodiesel producers to shut their doors and lay off workers.⁵ And, it's getting 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.

Farmers want markets, not handouts. The RFS is one of the most vital markets for farmers. Your EPA recently proposed a rule for the 2020 RFS standards 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.

You must direct your EPA to finalize the 2020 RFS rule this fall to include a volume of growth in the biomass-based diesel volume consistent with what the industry quantified in its comments to the EPA. These additional volumes will send strong signals of support from your Administration. Additionally, you must increase the biomass-based diesel volume equal to the lost volume caused by these small refinery exemptions. Further, the overall 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.

Sincerely,

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 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.



Andrew Moore, President
Georgia Florida Soybean Association



Dwight C. Meyer, President
Kansas Soybean Association



Larry Thomas, President
Kentucky Soybean Association



C. Brooks Hurst
Missouri Soybean Association



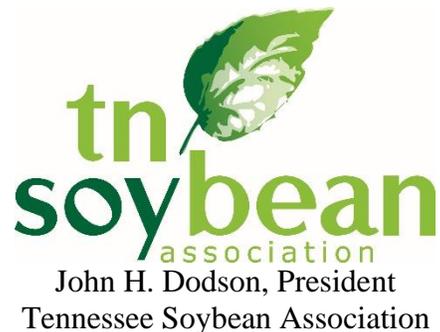
Robert Johnston, President
Nebraska Soybean Association



Jason Swede, President
New York Corn & Soybean Association



Cliff Barron, President
South Carolina Corn & Soybean Association



John H. Dodson, President
Tennessee Soybean Association

CC:

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Administrator Andrew Wheeler
Office of the Administrator, 1101A
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460