



Dear Senator:

Representing farmers and rural communities across the country, we ask for your cosponsorship and support of **S. 517, the Consumer and Fuel Retailer Choice Act**. This legislation removes an unnecessary EPA limitation on fuel retailers, giving consumers a choice at the pump that saves them money, enhances vehicle performance and improves the environment.

Fuel retailers want to offer E15, an EPA-approved fuel with 15 percent ethanol and 85 percent gasoline, which is approved for almost 90 percent of vehicles on the road today. E15 provides higher octane to improve vehicle performance and costs 3 to 10 cents less per gallon than regular E10 gasoline.

While removing an obscure EPA barrier, S. 517 also provides a much needed, no-cost means for the federal government to support agriculture producers facing a fourth consecutive year of depressed farm income and commodity prices.

Corn and sorghum prices averaged \$4.70 per bushel and \$4.43 per bushel, respectively, between 2006 and 2013, a time of positive net income for many grain farmers. Since then, corn and sorghum prices declined to \$3.70 per bushel and \$4.03 per bushel in 2014 and are expected to fall to \$3.40 and \$2.69 for the 2016 crop, prices well below average, and below the average costs of production of \$4.24 and \$4.02 estimated by the U.S. Department of Agriculture (USDA). Prices for other major commodities have followed a similar path and are at the lowest levels seen in a decade.

USDA reports that net farm income will drop 8.7 percent in 2017, for a total net farm income decline of nearly 50 percent since 2013. Adjusting for inflation, net farm income is below levels experienced during the Great Recession. As a result, farmers are facing increased financial challenges and drains on equity. According to the Federal Reserve Bank of Kansas City, the farm loan repayment rate has declined every quarter since mid-2013, and declining farmland values have also added to financial stress. That financial stress, in turn, affects rural businesses and communities across the country.

Due to higher crop yields resulting from advances in technology and efficiency, farmers need additional market access in order to reverse depressed commodity prices. For corn and sorghum growers, who currently sell a third of their respective crops for renewable fuel production, removing a barrier that discourages many retailers from selling E15 is a no-cost means to increase grain consumption. In return, consumers get more choices, lower prices and more environmental protection.



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In 1990, Congress limited the amount of evaporative emissions from fuels to 9 pounds per square inch (psi) of Reid Vapor Pressure (RVP). Pure ethanol has a 3 psi RVP, but when combined with gasoline at low levels, fuel RVP can exceed 9 psi. As a result, Congress allowed fuel with 10 percent ethanol to have a 1 psi RVP waiver. EPA has extended that relief to blends of less than 10 percent, but EPA has declined to extend the relief to blends greater than 10 percent, such as E15.

The real-world impact of this EPA barrier is that retailers in most areas of the country cannot offer E15 during the summer driving season that runs from June 1 through September 15, so many simply do not offer it at all. However, retailers in air quality non-attainment areas can offer E15 year-round due to the greater reduction in exhaust emissions, and retailers have been doing so in increasing numbers. S. 517 would allow retailers across the country to sell E15 all year long.

As the farm economy downturn continues, farmers are looking for increased market for their products. Removal of an EPA regulatory barrier through S. 517 is one important way to provide more demand for agriculture, at no cost to the government, while also providing significant benefits to consumers.

Thank you for your consideration and support of farmers, consumers and retailers.

Sincerely,

Wesley Spurlock, President  
National Corn Growers Association

Zippy Duvall, President  
American Farm Bureau Federation

Roger Johnson, President  
National Farmers Union

Don Bloss, President  
National Sorghum Producers