



September 12, 2018

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

Dear Mr. President,

As representatives of the nation's farm families and biofuel producers, we were highly encouraged to hear Agriculture Secretary Sonny Perdue state on August 29 that an announcement could come very soon regarding your administration's plan to restore integrity to the Renewable Fuel Standard (RFS) and allow year-round sales of E15.¹ With ethanol prices hitting a 13-year low and net farm income plummeting to half of the record \$123 billion achieved in 2013, such an announcement could not come at a more critical juncture for rural America. However, we remain concerned that any benefit from year-round E15 sales and proper implementation of the RFS could be nullified if refiners are given further regulatory bailouts that undercut the spirit and intent of the law.

Two simple administrative actions would provide a desperately needed economic boost to our sectors. We urge your administration to act immediately to 1) allow year-round sales of E15 and other mid-level blends in conventional gasoline markets, and 2) ensure that RFS blending requirements erased by small refinery exemptions are prospectively reallocated to larger refiners, as required by law.

Mr. President, the circumstances have changed since you first began considering these issues, and renewable fuel producers and farmers are suffering. Thousands of manufacturing and farming jobs in America's Heartland are now at risk due to the EPA's recent mismanagement of the RFS and inexplicable delay in removing the de facto summertime ban on E15.

Due to the wave of RFS compliance exemptions doled out by the EPA, refiners have already gotten exactly what they asked for: artificially low RIN credit prices and weaker biofuel

¹ Sents, N. (Aug. 29, 2018). Trump wants year-round E15 approval next week, says Perdue. *Successful Farming*. Retrieved Aug. 30, 2018, from <https://www.agriculture.com/news/business/trade-rfs-top-concerns-for-perdue-during-iowa-visit>

blending requirements. Ethanol RIN prices have been trading in a narrow range between 20-30 cents since May, a decrease of nearly 80 percent since last fall, because of EPA's actions this year. In response to weakening demand and mounting supplies, ethanol prices, RIN credit prices, and ethanol profit margins are plunging.

The situation is even more dire in the grain markets, where prices received by farmers are sagging below the cost of production. With a near-record corn crop expected this fall and tariffs putting a damper on trade opportunities, farmers desperately need expanded access to markets and new sources of demand.

Former EPA Administrator Scott Pruitt already gave refiners far more than their end of a deal in the form of 2.25 billion gallons of biofuels demand destruction, and they are reaping the rewards of that windfall today. Now, with the biofuel and agriculture industries hurting, it's rural America's turn to get its end of the deal.

With harvest already underway, it is exactly the right time to deliver on your promise to make farmers great again by securing the market access and new demand needed to fuel continued economic growth and prosperity across rural America.

Sincerely,

Kevin Skunes
President
National Corn Growers Association

Zippy Duvall
President
American Farm Bureau Federation

Roger Johnson
President
National Farmers Union

Don Bloss
Chairman
National Sorghum Producers

Bob Dinneen
President & CEO
Renewable Fuels Association

Brian Jennings
CEO
American Coalition for Ethanol

Emily Skor
CEO
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