



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,

On behalf of the members of the American Soybean Association and National Biodiesel Board, we would like to request a meeting with you to discuss policy concerns for the biodiesel industry and potential solutions. Causing specific consternation right now for biodiesel producers and soybean farmers is the EPA's granting of 31 Renewable Fuel Standard (RFS) waivers and the upcoming rulemaking on next year's standards.

The administration's recent action on RFS waivers is having an immediate and devastating impact on biodiesel producers, the same biodiesel producers that farmers rely on to purchase surplus soybean oil, the majority feedstock used in biodiesel production. Last week, in the wake of EPA's decision to grant a new flood of small refinery exemptions, one of the largest U.S. biodiesel producers announced the shutdown of three plants located in Pennsylvania, Georgia, and Mississippi.¹ Already, other large producers have announced closings and laid off workers, and we believe there are more closings and layoffs to come if policies remain unstable.²

The RFS is an important program to America's soybean farmers. Unfortunately, EPA's continued support of RFS exemptions directly undermines the program designed to decrease our dependence on foreign oil and provide additional markets for U.S. farmers. According to a University of Illinois economist, nearly all demand eroded by small refinery exemptions falls on biodiesel and renewable diesel producers by nature of how the RFS is constructed.³ That disproportionate impact on biodiesel and renewable diesel producers in turn hits U.S. soybean farmers already having a tough time from tariffs and insurmountable weather issues this planting season.

Additional instability in the RFS will compound effects on producers and, inevitably, our growers. In June, EPA proposed zero growth for biomass-based diesel in the RFS program for 2020/2021. Growth in the biodiesel market is vital to keep producers operating, protect workers' jobs, and provide additional markets for soybean farmers.

¹ World Energy, "[RFS Waivers by Trump's EPA push World Energy to close 3 plants.](#)" Biodiesel Magazine, Aug. 16, 2019.

² Koperski, S. "[Beatrice biodiesel plant to close.](#)" Beatrice Daily Sun, July 1, 2019.

³ 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.

While many economists worry about an economic recession within the next year, America's farmers are already facing a severe economic downturn. U.S. farmers produced record soybean crops in 2017 and 2018, only to meet closed markets, record low prices, and surpluses that will weigh on the industry for some time to come. Soybean planting is down by nearly 15 percent for the year. Farm income is down by half compared to five years ago, and reduced planting will slow the recovery.

U.S. soybean farmers recognize the need to rebalance trade conditions with countries like China. Farmers have been impacted financially but, nevertheless, remain your strong allies in this fight. That is why your administration's recent actions proposing zero growth in RFS volumes for biomass-based diesel and the granting of retroactive small refinery waivers is even more difficult to understand.

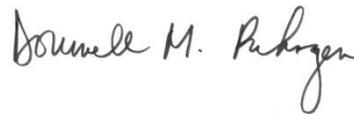
You recently made a public commitment to protect and defend America's farmers.⁴ But more recent policy decisions are at odds with that commitment. We need you to maintain your commitment to the RFS program. We ask that you and your entire administration uphold that promise to support America's farmers, Mr. President.

We would appreciate an opportunity to discuss how the administration can repair the uncertainty created by zero growth in biomass-based diesel coupled with demand destruction caused by the waivers. We look forward to an opportunity to sit down with you and discuss solutions to the crisis our industries are facing as a result of recent policy decisions.

Sincerely,



Davie Stephens
President
American Soybean Association



Donnell Rehagen
CEO
National Biodiesel Board

⁴ Remarks by President Trump on Renewable Energy, Southwest Iowa Renewable Energy, Council Bluffs, Iowa, June 11, 2019. <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-renewable-energy/>.