

May 11, 2020

The Honorable Nancy Pelosi
Speaker of the House of Representatives
United States Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20515

Dear Madam Speaker and Leader McConnell,

On behalf of the men and women of America's biofuel industry, we thank you for your leadership in responding to the global crisis arising from COVID-19. The biofuel industry is steadfast in its commitment to persevere through the pandemic with as little disruption as possible to critical U.S. supply chains.

The situation we face is dire. More than 130 biofuel plants have already partially or fully shut down as motor fuel demand plunged to 50-year lows. America's biofuel plants purchase annually more than one-third of U.S. corn and U.S. soybean oil, and the loss of those markets has depressed farm income and will continue to push corn and soybean prices down dramatically.

The damage has rippled across the entire agricultural supply chain. Ethanol plants are the top supplier of carbon dioxide (CO₂) to the food industry, and shutdowns have triggered commercial CO₂ supply shortages, inhibiting the ability of our food and beverage sector to manufacture, preserve and supply food. Biodiesel plants provide critical demand for soybean oil, distillers corn oil, animal fats from livestock production, and recycled oils from restaurants. Reduced demand for these oil byproducts will result in higher prices for livestock feed and ultimately higher prices for consumers. And shortages of dried distiller grains (DDGs) – a high-protein animal feed produced by ethanol plants – are already impacting livestock rations and meat prices.

Biofuel producers are doing what they can to support our public health response by repurposing ethanol and glycerin supplies to produce hand sanitizer. However, sanitizer markets are not nearly substantial enough to sustain our workforce and bridge the industry through the crisis.

As an essential critical infrastructure workforce, the biofuel industry sought emergency economic relief through the CARES Act. While some facilities are eligible for CARES Act loan programs, the Act did not include specific relief for biofuel producers, and the U.S. Department of Agriculture's (USDA) subsequent disbursement of Commodity Credit Corporation (CCC) funds excluded the biofuel sector, despite urgent letters of support to Secretary Sonny Perdue from broad, bipartisan coalitions in the House and Senate.

While it is important that biofuel producers are included in any infrastructure or tax legislation designed to hasten America's long-term economic recovery from COVID-19, relief is needed now to ensure these producers are positioned to bring renewable fuel production back online when conditions improve. It is vital that the next COVID-19 relief package include immediate, temporary,

and direct assistance to help the U.S. biofuel industry retain its skilled workforce and mitigate the impact of plant closures on the food and feed supply chain and rural communities. There are numerous mechanisms overseen by the USDA that could quickly facilitate direct assistance to the biofuel industry. Preserving the vital biofuels market for farmers supports long-term demand for agriculture and farm sector recovery.

COVID-19 represents an unprecedented threat to our industry and economy. We look forward to working with you to ensure that America's biofuel producers get through the crisis and stand ready to fuel a robust recovery across rural America. Thank you for your consideration and please do not hesitate to reach out with any further questions.

Sincerely,

