

Congress of the United States
Washington, DC 20515

May 11, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
H-107, The Capitol
Washington, D.C. 20515

The Honorable Steve Scalise
Minority Whip
U.S. House of Representatives
2049 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader Hoyer and Minority Whip Scalise:

We are writing to request the inclusion of support to the biofuel sector in the next COVID-19 legislative relief package.

Identified as an essential critical infrastructure workforce, the biofuel sector has been hard hit by the impacts of the stay-at-home measures associated with the COVID-19 response.

Already nearly 150 U.S. biofuel plants are fully idle or have cut production as the Energy Information Administration (EIA) reports that demand for motor fuel, and by extension ethanol and biodiesel, has fallen by nearly half, to a 50-year low. Multiple studies report that ethanol demand is expected to be approximately 3 billion gallons less in 2020 than otherwise expected, and sales could fall by 46 percent, more than a \$10 billion drop.

Prices are at record lows, and producers are unable to make ends meet. These dire statistics translate into devastating economic impacts throughout the economy, as rural job losses mount in our districts, agricultural commodity prices fall precipitously, hurting farmers, and shortages of biofuel co-products impact food security.

The health of the agriculture sector is directly tied to the health of the biofuel industry. As demand falls for commodities like corn and soybean oil, one-third of which are purchased by biofuel plants each year, prices for those crops have fallen by 15 percent and 10 percent, respectively. The biofuel sector supports at least 350,000 U.S. jobs, with 20% losses expected, and projections show that the biofuel industry's contribution to gross domestic product (GDP) could drop by nearly one-third this year.

The reliance of the food supply on the biofuel sector is now visible in this time of crisis. Ethanol is the top supplier of commercial carbon dioxide to the food industry for refrigeration and preservation of food. Without this important source, shortages are emerging. Similarly, the lack of a regular supply of dried distiller grains, or DDGs, is impacting livestock feed rations and prices. 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.

Biofuels are a critical part of our nation's transportation fuel supply. They lower gasoline prices, cut emissions, and give consumers choices at the pump while supporting our economy. It is in the national interest to ensure that the biofuel sector can emerge strong and support the nation's recovery with low-cost, clean, homegrown transportation fuel.

Without an infusion of relief funds from the U.S. Department of Agriculture, the sector is expected to continue its current economic descent, slowing the nation's recovery, further lowering demand and prices for farmers' crops, and destabilizing the food supply chain. We urge you to provide COVID-19 financial support for the biofuel sector through the U.S. Department of Agriculture.

Sincerely,



Cindy Axne
Member of Congress



Cheri Bustos
Member of Congress



Angie Craig
Member of Congress



Abby Finkenauer
Member of Congress



Dave Loebsack
Member of Congress

/s/

Mark Pocan
Member of Congress

/s/

Collin C. Peterson
Member of Congress



Ron Kind
Member of Congress

/s/

Lauren Underwood
Member of Congress

/s/

Kendra S. Horn
Member of Congress