

# EMERGENCY ASSISTANCE IN RESPONSE TO COVID-19



In response to the unprecedented, nationwide COVID-19 health pandemic, shelter-in-place orders kept drivers off the road, crashing demand for gasoline and ethanol. This is crippling our nation's ethanol plants and disrupting markets for coproducts we make.

## ECONOMIC SITUATION

### APRIL: Lowest Points

- Margins crashed to \$-0.37 per gallon
- Demand was down to 7.76 billion gallons annualized (44% lower than last year)
- Production was down to 8.23 billion gallons annualized (about 50% of full capacity)
- Ethanol stocks reached an all-time high at 1.16 billion gallons

### SEPTEMBER: Not Fully Recovered

- Demand sits at 13.2 billion gallons (10% lower than last year)
- Production is up to 14.13 billion gallons (9% lower than last year)

## DIRECT BIOFUELS ASSISTANCE

The House-passed *HEROES Act* (H.R. 6800) contains a Renewable Fuels Reimbursement Program, which provides financial support on a per gallon basis to qualified biofuel plants for production between January 1, 2020 and May 1, 2020.

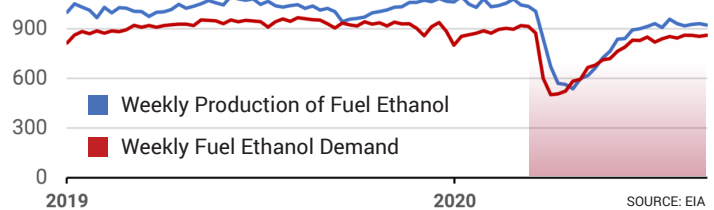
Senators Grassley (R-Iowa), Klobuchar (D-Minn.), Ernst (R-Iowa), and Duckworth (D-Ill.) introduced the *Renewable Fuel Feedstock Reimbursement Act* (S.3756) which provides ethanol plants with 75% reimbursement of feedstock costs from January 1, 2020 through March 31, 2020.

## OUR ASK:

Include direct, emergency assistance in the next COVID relief package. It should be administered by USDA and use the provisions in the HEROES Act (H.R. 6800) or the Fuel Feedstock Reimbursement Act (S. 3756).

## AN INDUSTRY NOT FULLY RECOVERED

Margins crashed, demand plummeted, and stocks reached all-time highs.



## CARBON DIOXIDE (CO<sub>2</sub>)

About 50 of the nation's 200 ethanol plants produce one of the most efficient and local sources of 99%-pure CO<sub>2</sub>. This is used as a preservative for meatpackers, carbonation for food and beverage companies, and a treatment measure for municipal water facilities. When these plants slowed production to match the drop in ethanol demand, CO<sub>2</sub> users had difficulty sourcing enough to meet increased demand from our grocery stores.

## HAND SANITIZER

During the crisis, many ethanol plants reoriented production capabilities to provide alcohol into the hand sanitizer market including donations to hospitals and first responders. FDA temporary guidance specifies that alcohol may be used for hand sanitizer if it meets U.S. Pharmacopeia (USP) or Food Chemicals Codex (FCC) grade requirements, or a plant may provide laboratory analysis to FDA for a case-by-case evaluation.