

February 24, 2021

The Honorable Tom Vilsack  
Secretary  
U.S. Department of Agriculture  
1400 Independence Avenue SW  
Washington, DC 20250

Dear Secretary Vilsack,

We write today to respectfully request that you use your authority to grant targeted assistance to the biofuels industry. This financial aid is desperately needed as biorefineries continue to struggle to stay afloat in the wake of demand destruction wrought by COVID-19.

Our country is home to 210 ethanol plants across 27 states, which can produce more than 17 billion gallons of low-carbon, renewable liquid fuel while supporting 350,000 American jobs along the way. Ethanol is an everyday product for the American economy: more than 98% of gasoline sold in the U.S. includes at least 10% ethanol, and states are continuing to promote higher blends in their fuel supply like E15 and beyond. Ethanol also helps drivers save money on fuel by cutting the price of gasoline at the pump.

Our industry is struggling to weather an unprecedented challenge that has created alarming market conditions. In 2020, the ethanol industry suffered \$4.8 billion in gross revenue losses due to reduced sales of ethanol, distillers grains, corn oil, and captured carbon dioxide. We are attaching analyses that show this economic loss in more detail. In January, the U.S. Energy Information Administration released data showing 2020 ethanol production was down 2 billion gallons from 2019, and the lowest in seven years. We have seen stocks rise to historic highs in recent weeks, and motor fuel demand hitting its lowest point since the spring of 2020 during the early onset of COVID. In April of last year, fuel demand collapsed by nearly 50% in a matter of weeks, causing historic losses. Our industry has not yet recovered from that devastating period and is still facing a difficult road ahead in the coming months.

This is especially troubling given the support ethanol plants provide to critical supply chains. Besides producing a renewable liquid fuel that reduces emissions and lowers pump prices, ethanol plants produce high protein animal feed for livestock and poultry producers, high-grade alcohol used in hand sanitizer, and carbon dioxide used in food and beverage manufacturing, municipal water treatment, and dry ice production, a necessary product for vaccine distribution and storage. Without aid, these vulnerable supply chains could suffer at one of the worst possible times for our country.

We ask that you use a portion of the funds provided to USDA to make necessary financial assistance available to the biofuels industry. Specifically, we offer a few suggested guidelines as you pursue this assistance.

1. **Assistance should only be available to biorefineries that were in normal operation between Jan. 1 and March 1, 2020.** As the emergency relief funding is intended to

address only revenues lost as a direct result of COVID-19, plants that were not operating normally prior to the pandemic should not qualify to receive assistance.

2. **Assistance levels should be the same on a per gallon basis for each plant who seeks assistance.** Because each biorefinery in operation during COVID suffered the same macroeconomic economic injury due to the pandemic, each biorefinery should receive the same per gallon level of assistance. Our suggestion is to provide assistance of 10 cents a gallon based on each qualifying plant's production in 2019, the last full year before COVID demand destruction.
3. **Payments made to biorefineries should be made public.** We support making the assistance received and the entities receiving them publicly available.

We appreciate your consideration during these trying times and stand ready to support rural communities across the nation.

Sincerely,

American Coalition for Ethanol  
American Farm Bureau Federation  
Growth Energy  
National Corn Growers Association  
National Farmers Union  
Renewable Fuels Association