

**EPA Public Hearing  
October 30, 2019  
Mr. Brian Thalmann  
National Corn Growers Association**

Thank you for the opportunity to share the views of the National Corn Growers Association.

My name is Brian Thalmann, and I serve on NCGA's Ethanol Action Team. My family grows 2,000 acres of corn and soybeans in south central Minnesota. We deliver our corn to Heartland Corn Products Ethanol, where I also serve on the Board. Heartland was formed in 1992 as a farmer-owned cooperative and now produces 100 million gallons of ethanol per year.

The basic business model is that the 900 farmer/producers deliver corn; the company processes the corn, markets the products, and pays the producer the value of the products less the costs of operations.

Due to depressed economics in the ethanol industry over the past year, the value we received per bushel of corn struggled to even match the market price of corn.

We're in the thick of harvest and, quite frankly, I would rather be in the field. But the issue we're discussing today is too important to corn farmers like me not to be here. I have a simple message - when it comes the Renewable Fuel Standard, we need EPA to follow the law. As farmers, we follow rules put in place by state and federal agencies, including the EPA. We are simply asking EPA to do the same for us.

We trusted the October 4 announcement that EPA would update the 2020 RFS volume rule to account for expected waivers going forward. After waiving 4 billion gallons of renewable fuel blending the last three RFS years, the Trump Administration said it would finally stop the bleeding.

While EPA has correctly proposed to project waived gallons in the 2020 RFS volumes and future years, the projection does not reflect EPA's record on waivers.

Good intentions don't provide certainty. Without a binding commitment that the RFS will be kept whole, this rule gives EPA free rein to change direction any time.

The rule proposes using the Department of Energy's recommendations as an estimate for waivers, but EPA has consistently waived nearly twice as much. This estimate will leave the RFS short yet again. The three-year average of DOE's recommendations is 770 million gallons. The three-year average EPA waived is 1.3 billion gallons.

As recently as August, EPA argued that granting full exemptions when DOE recommended partial ones was the "best" approach on waivers.

NCGA asks EPA to use an average of actual waived volumes from the three most recent compliance years to estimate future waivers. Doing so helps ensure the RFS will no longer be shortchanged. There is no good reason to use recommendations when the real numbers are right in front of us.

In the past marketing year, corn use for ethanol production fell by 229 million bushels, and millions of gallons of ethanol production have been taken offline.

EPA's proposal fails to provide needed certainty or restore RFS integrity. Farmers are, again, asking EPA to follow the law and keep the RFS whole by redistributing waived gallons based on the recent history of actual EPA waivers.