



## **NATIONAL CORN GROWERS ASSOCIATION**

### **EPA Public Hearing**

**Wednesday, July 18, 2018**

**Mr. Russell Braun, Ovid, MI**

**National Corn Growers Association**

On behalf of the National Corn Growers Association, I appreciate this opportunity to share our views on the proposed rule for renewable fuel volumes.

My name is Russell Braun. My wife Laura and I raise corn, soybeans and wheat in Ovid, Michigan. We have raised six children, on our farm, including one who is planning to come back to the farm next year and join our operation

I serve on NCGA's Ethanol Action Team. As a member of the Action Team, I've taken a leadership role in NCGA's promotion and advocacy of biofuels. But I also know first-hand the importance of ethanol as a market for farmers.

I haul corn to an ethanol plant located 50 miles from my farm because it is one of the strongest markets available to me to sell my grain. Another plant, just 90 miles from me, recently doubled capacity. The demand from these plants has improved the basis and thus the price in our area by 20 to 40 cents per bushel, which is often the difference between a profit or a loss. A reliable marketplace to sell our grain helps make it possible for my son to come home and farm with me.

America's farmers are experiencing their lowest net farm incomes since 2006. With corn prices low, EPA's decisions have a greater impact on my livelihood and other farmers' as well. We believe EPA should use the Renewable Fuel Standard volume rule to remedy the harm caused by the extensive retroactive exemptions given to refineries over the past year and ensure future exemptions are accounted for.

In the proposed rule, EPA disclosed that these retroactive refinery exemptions totaled 2.25 billion ethanol-equivalent gallons. EPA has an obligation to reallocate these exempted volumes in order to keep the RFS whole. Congress did not give EPA unlimited authority to waive RFS volumes.

These refinery exemptions decrease ethanol blending and reduce demand and profits for my corn crop. Every gallon of renewable fuel blending waived by EPA reduces the consumer benefits of the RFS. Less ethanol blending means greater emissions of air toxics such as benzene that can cause cancer and exhaust hydrocarbons that contribute to ozone and



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respiratory issues. Reduced ethanol blending also costs consumers choice and money at the pump, particularly today when ethanol is considerably less expensive than gasoline.

For 2019, EPA proposed to increase total renewable fuel blending and maintain an implied conventional biofuel requirement of 15 billion gallons. This proposal follows Congress' intent that the RFS should require increasing levels of renewable fuel blending.

While farmers support these volumes, we have little confidence in them because EPA also proposed that any refinery exemptions granted after these volumes are final will not be accounted for. We believe the RFS regulations require EPA to account for refinery exemptions in the volume rule. However, EPA went so far as to state that comments on how 2019 exemptions are accounted for will not even be considered in this rulemaking. Farmers' voices on this issue deserve to be heard.

We ask EPA to provide more certainty to farmers by addressing the gallons already exempted, ensuring future exemption are reallocated, and moving forward with a stronger RFS rule that supports America's farmers, their rural communities and our energy independence.

Thank you.