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Public Hearing for Proposed Renewable Fuel Standards for 2019, and the Biomass-Based Diesel Volume for 2020

Matt Stutzman Statement on behalf of American Soybean Association

Good morning, my name is Matt Stutzman. I'm a soybean farmer from Adrian, Michigan and a Member of the Board of Directors for the American Soybean Association (ASA). I appreciate this opportunity to provide input on the proposed RFS volumes for 2019 and biomass-based diesel volumes for 2020.

ASA appreciates that the EPA proposal calls for growth to 2.43 billion gallons of biomass-based diesel for 2020 and 4.88 billion gallons of total advanced biofuels for 2019. Soybean farmers and our biodiesel industry partners can meet these proposed targets and, as the EPA Proposed Rule itself acknowledges, we have the production capacity and feedstock to reasonably achieve even further growth.

In addition to the benefits biodiesel provides toward diversifying our national fuel supply and reducing greenhouse gas emissions, it has also expanded markets for farmers and livestock producers and created new jobs and economic growth, especially in rural America.

As EPA recognizes, soybean production is driven by global protein demand. Soybean oil is a co-product of the protein meal production, and biodiesel creates a value-added market for the co-product oil generated by the protein demand.

The growing global protein demand has resulted in steadily increased soybean production in the U.S. over the past three decades from 58 million acres to over 89 million acres. The U.S. Department of Agriculture projects that soybeans will be the most planted crop in the U.S. over the next 10 years. Per acre yields have also steadily increased enabling farmers to meet the increased demand for soybean protein meal with increasing efficiency and sustainability. Since 1980 U.S. farmers have increased production by 96% while using 8% less energy, land use per ton of soybean production has decreased by 35% and greenhouse gas emissions have decreased by 41% per ton.

Despite the increasing soybean production and efficiency EPA continues to cite limitations and the potential for diversion of feedstocks from previous uses. This has not been the case and the data, trends, and other factors demonstrate that there will be additional soybean production and soybean oil stocks in the coming years.

The most recent USDA World Agricultural Supply and Demand Estimates (WASDE) report, issued on July 12th – after the EPA Proposed Rule – shows a 600,000 acre increase in 2018 soybean plantings from the June estimate. For soybean oil, WASDE projects increases in beginning stocks, production, ending stocks, and use for domestic biodiesel production with *no decline* in soy oil use for food, feed, or other industrial purposes. In fact, compared to 2016/17, WASDE projects soy oil use for food, feed, and other industrial uses to *increase*.

Demand from biodiesel markets and the RFS have not caused the diversion of soybean oil from food use in the past and is not expected to in the future. In fact, to the contrary soybean oil has been displaced from food markets due to the trans-fat issues. Since the trans-fat labeling requirements were announced in 2003, approximately four billion pounds of annual soy oil use has been displaced from the food market. A complete ban on the use of partially hydrogenated oils in food took effect on June 18, 2018.

Again, ASA supports the increased volumes of biomass-based diesel in 2020 and the increased advanced biofuels volumes in 2019 and urges EPA to support further growth, which EPA acknowledges in the proposed rule is reasonably attainable.

Thank you again for this opportunity and we look forward to providing additional input through written comments.

Matt Stutzman
Michigan farmer
ASA Board Member