

USDA Provides Economic Relief to Biofuel Producers

Written by USDA

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Up to \$800 Million Will Help Biofuel Producers and Restore Renewable Fuel Markets Hit by the Pandemic

STEVENS POINT, Wisc., Dec. 8, 2021 -- U.S. Department of Agriculture (USDA) Secretary Tom Vilsack today announced that USDA will make up to \$800 million available to support biofuel producers and infrastructure. Today's announcement includes \$700 million to provide economic relief to biofuel producers and restore renewable fuel markets affected by the pandemic. The Department will make the funds available through the new Biofuel Producer Program authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Additionally, in the coming months, the Department will make \$100 million available to increase significantly the sales and use of higher blends of bioethanol and biodiesel by expanding the infrastructure for renewable fuels derived from U.S. agricultural products. The Biden-Harris Administration is committed to further growth of the biofuels industry, and the House-passed Build Back Better Act commits additional funding that will provide better market access for farmers and more affordable and cleaner fuels for consumers.

"Under the leadership of President Biden and Vice President Harris, USDA is providing direct relief to the people of rural America who are still reeling from the economic impacts of the pandemic," Vilsack said. "As we continue to rebuild the nation's economy, USDA is targeting resources and investments to improve the strength and resiliency of America's sustainable fuel markets. The relief we're announcing today will pave the way to economic recovery for America's biofuel producers, stimulate a critical market for U.S. farmers and ranchers and move the country closer to President Biden's goal of net-zero carbon emissions by 2050."

Background on the Biofuel Producer Program

Through the Biofuel Producer Program, USDA will make up to \$700 million in direct payments available for biofuel producers who faced unexpected market losses due to the pandemic. USDA will announce the official application window for this program within the coming week.

By making payments to biofuels producers, the program will help agricultural producers maintain and create more viable markets for products that supply biofuel production, such as corn, soybeans, or biomass. Payments will be based on the producer's market loss volume in 2020, which is calculated by the amount of fuel produced in 2020 in comparison to 2019.

Background on Grants for Biofuels Infrastructure

USDA intends to make up to \$100 million available in new funds for grants for biofuels infrastructure, such as blender pumps which ensure biofuels have greater availability in the retail market. The funding will provide grants to refueling and distribution facilities for cost of installation, retrofitting or otherwise upgrading of infrastructure required at a location to ensure the environmentally safe availability of fuel containing bioethanol blends of E-15 and greater or fuel containing biodiesel blends B-20 and greater. USDA will announce the official application window for grants within the coming months.

This announcement comes on the heels of an announcement the Environmental Protection Agency (EPA) made today. EPA is proposing a package of actions setting biofuels volumes for years 2022, 2021, and 2020, and introducing regulatory changes intended to enhance the program's objectives. In addition, EPA is asking for public comment on a proposed decision to deny petitions to exempt small refineries from RFS program requirements. Read the full announcement at <https://www.epa.gov/newsroom>.

Under the Biden-Harris Administration, Rural Development provides loans and grants to help expand economic opportunities, create jobs and improve the quality of life for millions of Americans in rural areas. This assistance supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and

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high-speed internet access in rural, tribal and high-poverty areas. For more information, visit www.rd.usda.gov

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USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate-smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.