

Family Farming and the Renewable Fuel Standard (RFS) 2016 Special Order of Business

Biofuels have created a path for farmers who help address environmental problems. In the late 1970s and into the 1980s, the expansion of ethanol cooperatives added value to corn. Family farmers continue to struggle due to volatile corn prices. The ethanol industry creates a price-stabilizing mechanism and encourages much-needed reinvestment in our rural communities. Today, biofuels contribute significantly to net farm income and the rural economy as a whole. In 2015, the ethanol industry provides roughly 86,000 direct jobs and supported roughly 270,000 indirect jobs nationwide. In addition to supporting farm income and rural economies, biofuels increase energy security, reduce toxic air pollutants and provide environmental benefits in the form of lower greenhouse gas emissions.

The Renewable Fuel Standard (RFS) is the main policy driver of biofuels. Originally put in place in 2005, the RFS has been expanded, and now calls for the nation's fuel supply to include 36 billion gallons of renewable fuel by the year 2022. Of these 36 billion gallons, 15 billion will be comprised of conventional biofuels and the rest will be filled by cellulosic and other advanced biofuels.

The RFS is under attack on a variety of fronts. In Congress, the oil industry and other interest groups have targeted the RFS because the industry views increased biofuels consumption as a threat to its market share. The administration continues to mismanage the RFS; volume limits for 2014, 2015 and 2016 included unlawful waivers and have yet to be finalized.

Despite the pressure on the RFS, NFU remains adamantly opposed to changing the statute legislatively and insists that EPA set annual volume targets that match those in the enacting statute. Waiver authority is far more limited than EPA has recently exercised.

NFU recognizes that the oil industry has put up barriers to the increased consumption of biofuels in the United States. The Energy Independence Security Act (EISA) requires retailers to make more biofuels available to consumers. Therefore, NFU calls for the retention of the RFS, increased availability of blender pumps nationwide, and the expansion of production and use of flexible-fuels vehicles.