

July 8, 2011

The President
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear Mr. President:

On behalf of America's ethanol producers, I want to thank you for the leadership that your administration has shown in seeking to expand the market for ethanol and allow the industry to continue its evolution. Indeed, American ethanol production is rapidly transforming to include new feedstocks and new technologies that will allow domestic biorefineries to provide an ever greater range of renewable alternatives to petroleum-based products.

While much of our industry's research and development focus is on the next generation of feedstocks and biofuels, the existing grain-based industry has quietly made tremendous strides in its economic and environmental efficiency in recent years. Given its rapid rate of innovation and evolution, it was concerning to hear you suggest during your Twitter town hall that American ethanol was behind the innovation curve. More troubling was your assessment that Brazilian ethanol is a superior, more efficient product than the one produced here at home.

I would like to take this opportunity to provide you with an up-to-date accounting of domestic ethanol production today.

To start, America's ethanol industry is the largest in the world. We are producing well over 13 billion gallons of ethanol each and every year, and displacing more than 445 million barrels of oil annually – a sum greater than annual oil imports from Saudi Arabia. It is also important to note that American-made ethanol is the most cost-effective motor fuel on the market today, costing less than Brazilian ethanol and gasoline.

Importantly, American ethanol production is helping provide 400,000 Americans with a good paying job, a stark contrast to some of the working conditions and pay received by Brazilians employed on sugar plantations and ethanol mills. In addition, ethanol production is adding more than \$50 billion to the national GDP each year.

On the environmental side of the ledger, American ethanol production continues to improve. A recently published study in the *Yale Journal of Industrial Ecology* concludes that ethanol production reduces greenhouse gas emissions compared to gasoline between 48 and 59 percent. Similarly, ethanol

production today is showing tremendous energy benefits with current ethanol production producing up to 2.3 units of energy for every unit of energy used. Together with improved efficiencies and new technologies, ethanol producers are getting more ethanol per bushel of corn and using fewer BTUs and gallons of water in the process.

These efficiency gains means that, according to USDA, American ethanol producers get approximately 100 gallons of ethanol per ton of corn versus just 20 gallons of ethanol per ton of Brazilian sugarcane. This is significant because American farmers are continuously producing more corn from the same acre of land using fewer inputs. This year's average corn yield is expected to be approximately 160 bushels per acre, up from less than 100 bushels per acre a generation ago. This growth in productivity has been made possible by the tremendous technological advances occurring on the farm that mirror those happening in ethanol production. Meanwhile, the amount of sugar available for ethanol conversion from a ton of Brazilian sugar cane has stagnated over the past decade.

America's ethanol industry is not limited to fuel alone. In addition to 13-plus billion gallons of ethanol, the industry is on pace to produce nearly 40 million metric tons of livestock feed popular with cattle, dairy, swine, and poultry producers. Increasingly, this feed product, known colloquially as distillers grains or DDGS, is gaining wide acceptance with our trading partners. In 2010 alone, the U.S. exported 9 million metric tons of DDGS to more than 50 countries, helping to create additional markets for U.S. corn products and increase our agriculture trade surplus.

Ethanol's product stream does not end at feed. More and more, ethanol producers are supplying products, like corn oil, that are the feedstocks for the production of other biofuels and bio-based chemicals.

The benefits of American ethanol production are not limited to grain-based technologies. While our industry has been built by ever-improving corn-to-ethanol technologies, new technologies and additional feedstocks are rapidly being developed and identified that will greatly diversify the production of ethanol and broaden the geographic benefit base of this domestically-produced renewable fuel.

Thanks in no small measure to your Department of Agriculture, advanced and cellulosic ethanol companies have received the conditional loan guarantees needed to begin construction on the nation's first cellulosic ethanol biorefineries. Those companies, Coskata and Enerkem, along with Abengoa, Fulcrum, Poet, and a host of others will be bringing next generation ethanol technologies to the commercial market sooner rather than later.

By investing in existing ethanol production and nearly-commercial next generation technologies, America is paving the way for even more futuristic fuel sources to become mainstream. Ethanol production from algae, for example, is now a very real possibility but would have seemed merely science fiction just a few years ago.

America's ethanol industry is not behind the curve in technology innovation; we are setting the curve. Investments made in ethanol production capacity, technology, and fueling infrastructure are just now

beginning to pay dividends. As such, now is not the time to question our progress or efficiency, but to reassert the importance of a robust, domestic ethanol industry to the nation's energy, environmental, economic, and national security goals. Americans cannot continue to bear the dangers presented by an outdated energy policy that locks us into a crippling addiction to imported oil.

The contributions of homegrown first- and second-generation ethanol production to our energy future should not be marred by outdated and unbalanced comparisons to biofuels production in other nations. At the more than 200 ethanol biorefineries across the America, farmers, ethanol producers, and rural communities are partnering to provide a domestic, renewable alternative to oil, renewable feedstocks to displace petroleum-derived chemicals, and livestock feed to meet the demands of flocks and herds around the world.

Mr. President, America's ethanol industry should be a source of pride. It is a sparkling example of what made America great: the imagination to dream and the ability to make that dream a reality.

As is always the case, the members of the RFA stand ready to work with you to realize the full potential of a robust American ethanol industry. We thank you for your leadership and remind you that our doors are always open to you.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Bob Dinneen", with a long horizontal flourish extending to the right.

Bob Dinneen, President and CEO
Renewable Fuels Association