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AGP Opposes EPA's Proposal to Reduce Biodiesel Requirements

Omaha, NE (October 5, 2017) – Ag Processing Inc a cooperative (AGP) announced today the Company opposes a recent proposal by the Environmental Protection Agency (EPA) to reduce the biodiesel requirements of the Renewable Fuel Standard (RFS). The EPA proposal could reduce the 2018 biodiesel RFS requirement by up to 315 million gallons and the 2019 requirement by over 1 billion gallons from current levels.

“We believe the RFS is one of the most important pro-growth policies affecting agriculture, as it boosts farm income, creates rural jobs, and generates new demand for our commodities,” said Keith Spackler, AGP Chief Executive Officer. “We oppose this proposal and believe it will have a negative impact on the U.S. biodiesel industry and rural communities throughout the country.” Spackler noted that AGP would be contacting policymakers and will also encourage its member-owners to oppose this proposal.

“One of the core justifications supporting the EPA proposal is a mistaken belief the U.S. biodiesel industry lacks the production capacity to provide 2.1 billion gallons of biodiesel to market,” stated Cal Meyer, AGP Chief Operating Officer. “The U.S. biodiesel industry, by EPA’s own numbers, has a domestic annual capacity in excess of 4.2 billion gallons. The proposed reductions are unnecessary and will cause significant economic harm. Reducing the biodiesel requirements would lower the price of soybeans, jeopardize many of the jobs associated with biodiesel production, and negatively impact the domestic soybean processing and livestock industries,” Meyer added.

Soybeans are a critical feedstock for the biodiesel industry, representing approximately 55 percent of the feedstock. On a national basis, soybean oil used in biodiesel production from U.S. producers accounts for over 5.7 billion pounds. This represents the soybean oil produced through processing over 475 million bushels of soybeans, or 25 percent of annual U.S. crush.

AGP (www.agp.com) is a leading agribusiness with primary operations as a major U.S. soybean processor/refiner producing and marketing soybean meal, refined soybean oil, and biodiesel. AGP businesses also include agricultural product trading in domestic and international markets and numerous U.S. grain elevator operations. AGP is owned by 148 local and regional cooperatives representing over 250,000 farmer-producers across the United States. Corporate headquarters are located in Omaha, Nebraska.