

**Remarks as Prepared for Delivery  
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**Iowa Renewable Fuels Summit  
February 4, 2025**

We do indeed have Fuels of Opportunity just over the next hill and around the bend in the road. And I want to talk about some of them.

I have always viewed myself as a glass half-full kind of guy. I don't want to be a Chicken Little or just spread doom and gloom. But I am concerned that as I travel Iowa and talk to both farmers and city folk that I see a divide. Ironically, the divide isn't between rural and urban.

Really it's simply a divide between people who think everything is fine and those that feel the foundations of the rural economy are a bit shaky. And I must admit, you can put me in the latter camp.

That might not be a shock to those of you who've attended the Summit the last 2 or 3 years. We've seen this coming. To you, I might sound like a broken record or the street corner prophet shouting "the end is near."

Governments can put out incentives and spending programs and policies. They can be conservative, liberal or populist. They can loudly proclaim a "new world order" or state with calm assurance that we've entered a "new economy" where the old rules no longer apply.

And they're all wrong. Any clear-eyed review of history tells us that certain economic rules are as eternal as human nature. We can be loving and caring. But we are also desirous and selfish. No Enlightenment or Renaissance is ever going to change that. So long as humans inhabit this Earth, basic economic rules will remain carved in stone, chief among them: supply and demand.

I'm a data guy. I love data. When legit, I trust data to make decisions. And that is why I'm concerned. Today, ag supply is outpacing ag demand. It's easy to see if you're willing to look.

My daughter is taking a macroeconomic class in high school this semester. So she knows what happens when supply exceeds demand. Prices go down.

Well, have they? Here's a headline from Farm Journal's Ag Web: The Ugly Truth: 2023 and 2024 Will Go Down as the Two Largest Declines in Net Farm Income Ever. Worse than the 1980s. Even on a percentage basis you have to go back to the 1930s to find something comparable.

Think about this. Over the last two years, net farm income dropped \$90 billion dollars. Consider that total net farm income was only \$101 billion in 2006.

The rural lead for the American Bankers Association says bankers “feel like they are looking over the cliff when it comes to the farm economy” as farmers burned through capital and have started leveraging equity with debt.

What happens when farmers don't have money to spend? Layoffs at John Deere. At Agco. At Kinze. At Cargill. At Landus Coop. Even at the Firestone plant in Des Moines where they make tractor tires. Literally thousands and thousands of ag workers have lost their jobs in a matter of months.

Income is down because prices are down. Why? Here is key. Please memorize this. For the last 4 decades, US corn production has been growing nearly 3 times faster than non-ethanol demand.

On average, US farmers produce about 210 million bushels more each year than the one before. Meanwhile, if you back out ethanol, demand growth for that corn grew at only 55 million bushels per year. We have a demand problem. In fact, over the next 20 years that's a 5-billion-bushel demand problem.

We've seen this movie before. In the 1980s and 90s demand lagged production. What got us out of that rut? Ethanol. Look at this chart. In 2000, corn going into ethanol plants was around 500 million bushels. By 2010 that number grew to 4 billion bushels.

But that demand growth did not happen because our leaders looked to the past. It happened because the crucible of the Farm Crisis forged a united effort to look forward. The new destination was “value added agriculture.” That's all I heard growing up in Shenandoah. In our efforts to escape the Farm Crisis, we tried every imaginable way to add value to our crops. Some worked. Some didn't. But one emerged that not only worked, but was large enough to make a real difference – renewable fuels.

If you want to know why 2000-2020 was different for rural America than the 1980s and 90s, you need look no further than this chart of corn use. Starting in Minnesota and spreading across the corn belt, ethanol balanced the supply and demand ledger. Demand caught up to, and for a period kept up with, increasing supply.

So why am I concerned now? We still produce ethanol. Well, in 2000, the U.S. produced less than 2 billion gallons of ethanol a year. By 2016, that had grown to over 15 billion gallons. Now, eight years later, the U.S. is producing 16 billion gallons. The growth in ethanol production has leveled off.

Here in Iowa, last year we produced roughly 350 million gallons of biodiesel and 4.6 billion gallons of ethanol. Those numbers haven't really changed that much in the past few years. And that's the problem.

Roughly 98% of gasoline in our 50 states is blended with 10% ethanol. We saturated that market. There's been some growth in exports, but not enough to keep up with farmer productivity.

At the same time, our ethanol plants have also become more efficient. Simply put, today we get more gallons of ethanol out of the same bushels of corn. In 2017 we needed 4.4 billion bushels to produce just under 16 billion gallons of ethanol. Seven years later, we needed only 4.3 billion bushels to produce over 16 billion gallons.

The data is clear. We have reentered a period where corn supply is greater than demand. Quite frankly, we'd be feeling the financial impact of this truth even more except for the war in Ukraine and the subpar weather in the corn belt the last couple of years.

I know there's been a bit of a bump in farm prices recently. But as Kevin Studer once asked me: Do you think praying for a drought in South America is a reliable marketing plan? Now, I believe in the power of prayer, but I'd rather rely on a new sources of demand to turn this around. And the good news is that we have demand opportunities. Fuels and fuels of opportunity.

So the question before us today is straight forward. Should we ignore the data and say everything is fine? Or should we confront the challenge and unite to find solutions?

I submit that the conceit of complacency is the dangerous detour on our American road trip to prosperity. It's not a pothole. It is a cliff without a guardrail. If our desired destination is Fuels of Opportunity, then we must beware of letting anyone take the wheel who only looks in the rearview mirror.

To be fair, that backward view can be a bit of a siren song. After all, the last 20 or so years have been some of the best in American agriculture. But if we choose to look in the rearview mirror, or allow our policy leaders to, history suggests that complacency leads to decay. You don't have to take my word for it. I was thinking about this as I finished watching season three of Clarkson's Farm streaming on Prime.

Jeremy Clarkson has been a famous TV personality in Britain for decades. He took up farming when COVID hit and turned it into a worldwide smash hit. I highly recommend it.

While mainly filmed to make you laugh, in the second and third season there's a running feud between Clarkson and the local council. Local farmers were really hurting due to British regulations and the loss of European subsidies after BREXIT. Jeremy wanted to do things to add value for local farmers – a farm shop, a restaurant featuring local products, and the like. The Council seems most interested in preserving their peace and quiet.

And in Britain they have a Town and Country Planning Act. Among other things, this law puts a big premium on preserving the beauty and character of existing towns and areas. Local councils are empowered to intervene at all steps of development. I'm all for beauty and tranquility but many believe the law created a situation where "development was nearly always prohibited."

Let's watch these snippets from the show, first of the local farmers meeting. Then of the council's reaction. [video clip plays]

The show is normally quite funny, but this was both serious and sad. This local council, in its “rearview mirror” attempts to preserve their little hamlet is actually hollowing it out from the inside. In another decade or two, there will be nothing, and no one, left. They are seeding the very destruction of what they want to preserve.

So how do we avoid the trap of complacency? How do we avoid destroying rural America’s future by holding too tightly to the pleasant scene in our rearview mirror? Let’s start by not ignoring the data. Supply increases are outpacing demand growth. It’s a bright flashing red warning light in front of our faces.

What’s the solution? Simple. Build demand. Of course, saying “build demand” is easier than actually doing it. As we look at all the possible demand drivers, what can actually grind up five billion bushels of additional corn over the next two decades? I see one thing – renewable fuels. But they are not necessarily the renewable fuels one sees in the rearview mirror today.

The good news is that the future Fuels of Opportunity are real and reachable. And the Fuels of Opportunity represent huge new markets that can more than keep up with the growth in ag output.

The British example emphasizes the need to avoid bad policies. Our road to the Fuels of Opportunities sometimes requires multistate projects. These projects are being attacked at the local levels without regard for their statewide or national importance. The rallying cry is often to protect “the way things have been.” What is necessary to grow the rural economy for the next 20 years doesn’t appear to cross the opponents minds. We must start thinking with our minds, not just our hearts.

This afternoon we have a great panel that will dig into the hows and whys of decarbonizing biofuels. They will look at new markets like sustainable aviation fuel. They will discuss how petroleum and biofuels can and should work together. And they will provide insights into new and existing crops that will make this happen. My theme today is that we need to grow demand. This panel will explain how to get that done on a scale unprecedented in US history.

While we are trying to dodge the policy potholes, it would help to have good policies to build some bridges to the future. After lunch we have assembled a panel of DC experts to dig into the policy debates. If you know the acronyms RFS, SRE, RVO, 45Z, 45Q, MAP/FMD or you want to learn, don’t miss this panel.

To be upfront, some of the massive new Fuels of Opportunity we’re working to unlock won’t materialize overnight. We need near-term demand growth as well. Luckily as the world’s middle class continues to grow, demand for mobility also increases. Immediate export opportunities abound and later this morning our export panel will map out the possibilities.

As we bring this to a close, I want to end here at home with what should be the nearest term demand driver. The ethanol industry has been working to secure nationwide, year-round E15 for over a decade. It’s been a real story of one step forward and two steps back.

Working with Senators Grassley and Ernst, during an event at Southwest Iowa Renewable Energy in Council Bluffs, President Trump in his first term directed the EPA to remove the unnecessarily restrictive regulations on E15. It was a great day and retailers across the country started to take action. But just as momentum was building, a refiner's lawsuit got the Trump E15 approval kicked out in court. For the past three years, we have avoided shutting down E15 pumps for the three and a half summer months only thanks to emergency waivers issued by former President Biden's EPA.

Even with that lawsuit defeat, we were not prepared to take no for an answer. And I can assure you that our Governor Kim Reynolds was not either. She spearheaded a bipartisan coalition of 8 Midwest governors to exercise their power through an obscure provision in the federal Clean Air Act. They equalized the regulatory treatment of E10 and E15, thereby allowing E15 to be sold year-round.

The Biden Administration didn't move quickly, but after a lawsuit from Iowa's Attorney General Brenna Bird and her counterpart in Nebraska spurred things along, former President Biden's EPA did approve the governors' actions on February 22<sup>nd</sup> of last year. This was a huge step forward. And in my opinion, created the pressure that will ultimately see a nationwide solution enacted. Please thank Gov. Reynolds for her leadership.

Now, and I doubt this will come as a shock, several refiner interests have filed a request with the EPA to delay the implementation of Gov. Reynold's 8-state E15 solution. IRFA feels strongly that any further delay is both unnecessary and unwarranted. We urge the Trump EPA to deny these requests and allow retailers in these 8 states the option to sell E15, which in turn provides consumers the choice to buy it.

President Trump, in a day-one Executive Order, also signaled that he has not forgotten about E15. He has directed his EPA to review the facts and, if necessary, consider granting another summer emergency waiver to allow E15 to flow. We were appreciative of President Trump's support for E15 during his first term and we are grateful he's ready to pick up where he left off.

But today I don't really want to spend any more time talking about the need to hold the line on the 8-state solution or the possibility for an emergency waiver this summer. I want to focus on why those conversations should be moot.

Congress should pass a permanent, nationwide E15 fix, and they should do it without further delay.

At a time when the ethanol industry, the ag industry, the fuel retailers, and – yes- even the American Petroleum Institute all agree on this issue, it shouldn't be that hard to get this done.

Some of you will recall that the E15 fix was in the original continuing resolution to fund the government in December. Unfortunately there were some rather problematic items stuck in that CR as well and it fell apart. When the stripped-down CR passed, E15 was not included even though it didn't cost the government one red dime. It simply removed a useless government restriction.

After that vote, I am told that House Speaker Johnson promised the Iowa delegation he'd get the E15 fix in the next funding package. I've met Speaker Johnson. I believe him to be an earnest and honorable man. If that's what he committed, I expect him to stick to it. And I really hope so. Maybe it was the frustration of being so close only to have it snatched away in the last second, but I get the sense that Iowans' patience is exhausted.

Mr. Speaker, the call from Iowa cannot be more simple or more plain. The time to fix E15 is now. No more delays. No more Iowa nice. We've been patient for a decade, but we are done waiting!

Now, every single person who just clapped needs to stop by the IRFA booth in the trade show and sign the E15 letter to Speaker Johnson and Senate Majority Leader Thune. Let them hear your voice.

E15 is the near-term demand driver that American agriculture needs. It should create demand for 5 to 7 billion gallons of additional ethanol over the next several years. It will give consumers a chance to save 15 or 20 cents per gallon at the pump. And it will be a key part of American energy dominance.

I hope today I made the case that ignoring the warning signs flashing in our face would be a grave mistake. It might be more pleasant to look in the rearview mirror, but that's the surest way to crash and burn on our American road trip to prosperity. Rather our destination should be the Fuels of Opportunity. American farmers need growing markets, and we have them within our reach.

Yes, it might require doing things differently... from how we farm to sequestering carbon at our biofuels facilities. But why should change deter us? American agriculture is always changing. We either grow or we die.

A few years ago my dear friends, John and Nancy Maxwell, were downsizing. So they gave their 1924 Maxwell touring sedan to my son, Maxwell. Think of the change that vehicle has seen. The roaring 20s to the Great Depression. World War Two to an American ag renaissance to feed the world in its wake. A man on the moon to a computer in your hand. It was stored for a while, so thank goodness it was able to miss disco, hair bands, and the 80s Farm Crisis. But it has seen the rural prosperity of the last decade. And with your help, we will embrace future change and future markets so that it never has to see a farm crisis.

I'm part of a family farm. My great grandpa farmed. My grandpa farmed. My dad built up our family farming operation. Now I farm...if you let me count driving the grain cart during harvest. I want to hand our farm down to my kids. I don't know if they'll want to farm. Or maybe it will be their responsibility to choose a farmer that will steward the land. Either way, I have a vested interest in the future of rural America. So I'm going to keep fighting to unlock the Fuels of Opportunity. I hope you'll join me.