

# Local industry leaders confront Congress about ethanol concerns

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Prior to touring the Ringneck Energy ethanol plant, South Dakota Congressional Representative Dusty Johnson (R) met with farmers, investors, and other industry leaders to consider how Congress might facilitate ethanol, and through that, production agriculture.

Ron Fagen whose firm Fagen, Inc. designed and built the Ringneck Energy ethanol plant in Onida, shared the history of ethanol dating back to its use prior to World War II.

“When China was being overrun by the Japanese, they asked for help, and a group of American volunteers – the Flying Tigers – about 100 hotshot pilots were recruited to the fight,” said Fagen. “The problem was, they couldn’t refuel the planes because of the Japanese blockade.” The question was asked of General Motors if rice alcohol could be blended with the fuel on hand, and with confirmation from GM, it “wasn’t uncommon to blend over 25% ethanol, and the engines never missed a beat. It performed well.”

Fagen noted a Wall Street Journal report that Australia was asking the United States to release some of its Strategic Oil Reserve to Australia. “If a deal is worked out, ethanol should be part of it,” Fagen urged Johnson. “They should take our ethanol before they take our oil. It’s ready to burn [whereas the oil would have to be refined to be usable]. It’s a no brainer – we can help them out.”

Johnson related that the South Dakota congressional delegation works continuously to promote agriculture in Congress and in the White House.

Specific to the ethanol industry, Johnson said he along with House Ag Committee Chairman Collin Peterson, D-MN had introduced the Renewable Fuel Standard Integrity Act of 2019 to set a deadline for refineries to apply for Renewable Fuel Standard (RFS) waivers and bring transparency to the waiver process.

According to a May press release from the National Corn Growers Association, “Within the past year, EPA has granted 54 exemptions to refineries, waiving 2.61 billion ethanol-equivalent gallons of renewable fuel blending under the RFS.”

“A billion bushels is pretty hard to defend,” said Johnson. “The South Dakota delegation have voiced our displeasure to the White House and are leaders in discussing how to clean up the process and gain transparency to the data that goes into the decision making.” Johnson says that he has joined with his colleagues in the House of Representatives to demand that the Government Accountability Office make a detailed audit of EPA decisions.

Ringneck Energy CEO Walt Wendland cited one problem with a deal with Australia is that oil goes into Australia “with zero tariff while ethanol goes in with a forty cents per liter tariff, which makes no sense.”

“We need exports,” Wendland con-

tinued. “Oil companies say, ‘you have exports, what do you need our market for?’ The best market we have is our domestic market, there’s no doubt about it. We’re only in the export market because we can’t find a market in the US, and that is not the high value market that we should have.”

United States Secretary of Agriculture Sonny Perdue in response to industry complaints proposed five actions to help agriculture and ethanol. “One is to reduce some of the SREs [small refinery exemptions], sounds like that’s off the table – they’re [the EPA] not going to go back on what they’ve already granted, so that’s kind of unfortunate,” said Wendland.

“One is to allow E-10 pumps to add E-15 without any modification,” said Wendland.

“A third action was, you know the auto industry has quit making flex-fuel vehicles,” said Wendland. “We need to go back to making more flex-fuel vehicles that can take more ethanol.”

Johnson related that he expects that when the highway bill comes up for re-authorization shortly, there may be anti-biofuel provisions hidden within the probably 800-page bill.

Johnson then turned to the potential in the United States-Mexico-Canada trade agreement should it be ratified by congress. “If we can get the USMCA ratified it’ll be 176-thousand extra jobs in this country. It’s going to mean \$68.2 billion of real GDP growth,” said Johnson.

Explaining that his experience in Congress has been different than his expectation that he’d be working with “vipers,” Johnson says that most of the US House “are pretty decent human beings. The place doesn’t work like it should, but with Republicans and Democrats, it’s easy to work together on ag.”

That said, Johnson notes the relative ignorance of production ag in Washington. “Not many can tell the difference between a sprayer and combine or between flax and soybeans. We just gotta keep banging on the White House to get more ag friendly folks.”

“It’s amazing how many different ways ethanol is the right fuel. It’s a better oxygenator. It really can be the sweet spot from a price perspective, to say nothing of the fact that ethanol is 29% less carbon intensive than gasoline,” said Johnson. On the topic of opposition to E-15, for urban areas there is no fuel additive that cleans the air more. “What’s so dumb about this E-15 thing is that it has a lower re-vapor pressure than E-10, which means it creates less smog.”

“Not to toot our own horn, but there is not a single day that the South Dakota delegation doesn’t talk with one another how to move the ball downfield,” said Johnson.

Describing how difficult it was as



**Congressman Dusty Johnson visited with the Ringneck Energy CEO Walt Wendland, the board of directors and investors in Onida Tuesday afternoon.**

Photo by Marileen Tilberg



**Ringneck Energy CEO Walt Wendland, Congressman Johnson and others from the meeting Tuesday toured the ethanol plant.**

Photo by Austin Gross

a freshman congressman to secure a seat on the House Committee on Agriculture, Johnson, who also serves on the House Committee on Education and Labor, said, “The Education and Labor Committee is really important, but day in and day out, ag is where we focus.”

Demonstrating the importance of ethanol to the ag economy, Fagen shared additional history of the

industry. “Ethanol got going during the 1980s farm crisis,” said Fagen. “Farmers were looking for another market for their corn and built the first large scale ethanol plant in Minnesota, with no idea that it might be used to fuel cars. They were just looking for another market for corn and more control of their future. Ethanol was a perfect fit, and it’s a perfect fuel and a perfect thing. We just want to keep it going.”