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April 6, 2020

Director of Agriculture Jerry Costello Illinois Department of Agriculture State Fairgrounds
801 E. Sangamon Ave
Springfield, IL 62702-1813

Dear Director Costello,

The 50,000 corn farmers in Illinois and the 13 Illinois ethanol plants appreciate your strong support for agriculture throughout your tenure in the Illinois Legislature. We also recognize the current efforts of all Illinois leadership to alleviate the health crisis our citizens and medical facilities are experiencing.

Illinois farmers are facing two crises – the implications of COVID19 on their health and the implications of COVID19 on what is already an extended period of below-cost-of-production prices.

2020 will be the fifth consecutive year that farmers face a cost of production that is higher than the prices offered for their crops. Many farmers are leaving our industry and many young farmers that just returned to the family business after graduation are struggling. Lost markets are further exacerbating the impacts to Illinois family farmers this year.

Illinois' thirteen ethanol plants, capable of producing 1.8 billion gallons of ethanol and one million tons of dried distillers grains with solubles (DDGS) per year have been throttled by the decrease in gasoline demand in the U.S. and around the world. Two of our plants have closed – we hope only temporarily – and the rest of the industry is producing at 50-70 percent capacity. It's possible that we'll see more ethanol plant closures in the future.

The lack of ethanol demand has hit Illinois farmers hard. Forty percent of the corn grown in Illinois is used to produce ethanol. To have such a large segment of the corn market disappearing is catastrophic. DDGS are a common feedstock, so livestock farmers have been left scrambling to fill their rations as ethanol plants close or decrease production.

There is no quick fix for the Illinois ethanol industry; returning to normal driving practices after our quarantine will help. The most significant impact for ethanol in Illinois – and one you can control - would be allowing for higher blends of ethanol in our gasoline market. The Illinois ethanol industry could provide up to 40 percent of Illinois' average gasoline demand.

We know you will want to help farmers and ethanol plants remain solvent during this global crisis. Attached are some ideas that you and Governor Pritzker's administration could consider to provide opportunities for the agriculture industry to thrive.

We look forward to future discussions with you on these ideas.

William L. Her

Sincerely,

William L. Leigh, President