



March 2, 2016

The President
The White House
1600 Pennsylvania Avenue, Northwest
Washington, DC 20500

Dear Mr. President:

As you are aware, on January 12, 2016 the People's Republic of China, through its Ministry of Commerce (MOFCOM), filed antidumping and countervailing duty cases against the U.S. distiller's dried grains (DDG) industry. DDGs are a highly nutritious, globally competitive livestock feed that are co-product of ethanol production. In 2015, China was the largest foreign buyer of U.S. produced DDGs and represented 50 percent of all U.S. DDG exports.

In an unprecedented action, MOFCOM requested U.S. industry participants that would be willing participants in these investigations to complete an extremely lengthy and complex preliminary questionnaire within a two-week period. From the submitted questionnaires China would select a preliminary sample of U.S. companies to participate in the full antidumping and countervailing duty investigations.

Approximately 20 U.S. companies filed individual responses to the questionnaire. An additional 50 to 60 companies filed a joint response to the questionnaire because they were unable to provide specific data related to DDG exports to China. These transactions were facilitated through third party traders or exporters, making it impossible for producers to trace the final destination.

Yesterday, China published its notices on the antidumping sampling results and countervailing sampling results and preliminarily selected three U.S. companies that filed individual responses to the questionnaire, to participate in its investigations of both trade actions. Those companies that participated in a joint response to the questionnaire were determined by MOFCOM to have not submitted the necessary information requested in the questionnaire within the specified time and are thus subject to punitive duty rates should China determine the facts support the imposition of antidumping and/or countervailing duties on U.S. DDG exports. Comments concerning the sampling methodology and the preliminary decisions resulting from MOFCOM's review of the questionnaires must be submitted to MOFCOM by March 7, 2016.

The uncertainty and market risk resulting from China's actions has already triggered substantial financial losses for U.S. distiller's grains producers. Distiller's grains prices have plunged more than 25% since last summer, while prices for corn and other feedstuffs have been stable or even increased slightly. At a time when both U.S. ethanol producers and farmers are facing serious economic challenges, it is estimated that

China's actions have already resulted in distillers grains losing \$30-35/ton in value. This is equivalent to an annualized aggregate loss of \$1.2 to \$1.6 billion to U.S. ethanol producers, many of whom are small businesses in rural America. Losses would mount further, potentially to \$50-60/ton or more, if the anti-dumping and countervailing duty actions ultimately result in a total collapse of distiller's grains exports to China, meaning a loss to the U.S. economy of more than \$2 billion.

On behalf of the nation's two largest associations representing the U.S. ethanol and distiller's grains industries, we urge you to direct the Office of the U.S. Trade Representative, Department of Commerce, and Department of Agriculture to challenge both the process and preliminary determinations made by China's investigating authority through comments to MOFCOM and through the World Trade Organization. In addition, we request your Administration work closely with the U.S. distiller's grain industry to mount an aggressive defense of our access to the Chinese livestock feed market throughout China's antidumping and countervailing duty investigations.

Sincerely,



Tom Buis
Chief Executive Officer
Growth Energy



Bob Dinneen
President and Chief Executive Officer
Renewable Fuels Association

Cc:

The Honorable Michael Froman, U.S. Trade Representative
The Honorable Tom Vilsack, Secretary of Agriculture
The Honorable Penny Pritzker, Secretary of Commerce