ASA Disappointed by Decision to Reduce Duties on Subsidized Biodiesel Imports

Washington, D.C. July 3, 2019. The American Soybean Association (ASA) would like to express the concerns of soybean farmers across the country regarding the preliminary decision by the U.S. Department of Commerce (DOC) to reduce existing countervailing duties on imports of unfairly subsidized biodiesel from Argentina.

Under the preliminary decision announced July 2 by DOC, countervailing duties on unfairly subsidized biodiesel imports from Argentina would be reduced significantly, while antidumping rates would remain the same. The duties were imposed in 2018 following an in-depth analysis by DOC and the International Trade Commission. Just months after the duties were imposed, Argentina requested and DOC undertook a “changed circumstances” review.

Rob Shaffer, an ASA board member and chair of the association’s Biodiesel and Infrastructure team said, “Given the administration’s strong view on addressing unfair trade practices and leveling the playing field for U.S. producers, this decision is surprising.”

Shaffer, who grows soybeans in Illinois, continued, “Biodiesel is an important, homegrown fuel source, and it makes sense that the blend requirements established by EPA are filled by domestically-produced biodiesel. Biodiesel is important to U.S. soybean farmers and also helpful to U.S. consumers.”

Over the past year, ASA farmer-leaders participated in several meetings with the Department of Commerce, including with DOC Secretary Wilbur Ross, to reiterate the impact of the subsidized imports on U.S. biodiesel producers and soybean farmers. ASA, along with the National Biodiesel Board (NBB)-led Fair Trade Coalition, emphasized that there is no material change in the export tax rate for soybeans or its depressing effect on Argentine soybean prices relative to world market prices.

An abrupt reversal on the countervailing duties on subsidized imports would add to the challenges the biodiesel industry is facing, including great uncertainty due to the lapsed tax credit and Small Refiner Exemptions issued by the Environmental Protection Agency (EPA) that undermine the Renewable Fuel Standard.

“While we continue to feel the impacts of hardline trade negotiations, the enforcement of countervailing and anti-dumping duties on unfairly subsidized biodiesel imports has been welcome. We don’t want to see the administration back down on that front,” said Shaffer.

The current duty rates remain in place until DOC issues a final decision in the review, expected in September 2019. If finalized, the existing countervailing duty rates on Argentine biodiesel would be reduced from their current average of 72% to 10%.

Soybean farmers urge the Department of Commerce to uphold its initial determination and continue to enforce trade rules that provide a level playing field for American soybean and biodiesel producers.

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The American Soybean Association (ASA) represents U.S. soybean farmers on domestic and international policy issues important to the soybean industry. ASA has 26 affiliated state associations representing 30 soybean producing states and more than 300,000 soybean farmers.

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